

NORTHAMPTON COUNTY RETIREMENT BOARD MINUTES

September 11, 2017

4:00 PM

1. **Call of the Roll.** The following members of the Retirement Board were present: Mr. John Brown, Mr. Jim Hunter, Mr. John Cusick, Mr. Glenn Geissinger, Mrs. Cindy Smith, and Mr. Dwight Danser (arrived 10 minutes after the meeting began). Mrs. Ferraro – Absent

Others present:

John Spagnola – PFM

Marc Ammaturo – PFM

Dave Ceraul, Esq. – Solicitor, Retirement Board

Brandon Dunstane – Fiscal

Danielle Haines – Human Resources

2. **Courtesy of the Floor** – Nothing
3. **Approval of the June 5, 2017 Retirement Board Minutes.**

Mr. Cusick made a motion to accept the Minutes, as presented.
Mr. Brown seconded the motion.

The motion passed unanimously.

4. **Performance Updates – PFM, Marc Ammaturo**

Mr. Ammaturo began with an overview of Q2 performance, explaining Marquette & Associates continued to manage the fund until June 30, 2017. Marquette provided the following snapshot:

Pension Fund

- Market Value (June 30, 2017): \$381 million
- Q2 Gain: \$11.1 million
- Q2 Return: 3.0%
- YTD Gain: \$28.3 million (MV: \$357.8m)
- YTD Return: 7.9%
- 1 Year Gain: \$45.7 million (MV: \$345.5m)
- 1 Year Return: 13.3%
- 3 Year Gain: \$60.6 million (MV: \$347.6m)
- 3 Year Return: 5.7%
- 5 Year Gain: \$148.4 million (MV: \$263.7m)
- 5 Year Return: 9.5%

The Pension fund is above the Actuarial Assumption of 7.5%.

Mr. Ammaturo explained some of the Asset Manager transition to date. Under Marquette, there were 19 fund managers, which brought the cost ratio to 0.34% basis points or roughly \$1.2 million in fees. PFM's strategy has reduced the number of fund managers to 13, and the cost ratio to 0.26% basis points or roughly \$900,000 in fees, saving more than \$300,000.

Currently the Investment Policy is set at 75% equity / 25% fixed-income for Asset Allocation. As of Jan 1, 2017, the Plan was funded at 87% and estimated at two or three points higher (89-90) currently, given the status of the Markets. To mitigate risk, PFM has suggested changing the current Asset Allocation to 70% equity / 30% fixed-income, which would work to protect the investment/gains.

Mr. Brown made a motion to change the current Invest Policy from 75/25 equity/fixed-income, to 70/30 equity/fixed-income, with +/- 20 spread, effective immediately, for Mr. Brown to execute and bring forward to the Board for ratification in December.

Mr. Geissinger seconded the motion.

The motion passed unanimously.

5. County Retirement/Pension Policy

County Retirement Policy continues the review process, and is currently undergoing legal review. Mr. Brown will have a full policy for review at the December meeting.

With no further business, Mr. Brown made motion to adjourn the meeting.
Mrs. Smith seconded the motion.

Meeting adjourned