

NORTHAMPTON COUNTY RETIREMENT BOARD MINUTES

May 3, 2018

4:00 PM

1. **Call to Order:** Mr. Lamont McClure called the meeting to order at 4:02 pm.
2. **Call of the Roll:** The following appointees to the Retirement Board were present: Mr. Lamont McClure, County Executive, Mr. Kenneth Kraft, Council President, Mr. Ronald Heckman, Council Member, Mr. William McGee, Council Member, Mr. Gerald Seyfried, retired member of Northampton County Retirement system, Mr. Thomas Guth, active employee member of Northampton County Retirement system, and Mr. Stephen Barron, Director of Fiscal Affairs.

Others Present – Mr. John Spagnola of PFM. Mr. Brandon Dunstane, of Fiscal Affairs. Ms. Danielle Mutarelli, Human Resources; Mr. David Ceraul, Esquire, Office of County Solicitor; Ms. Elizabeth Kelly, Board Secretary.

3. **Courtesy of the Floor** – No Remarks
4. **Approval of the March 22, 2018 Retirement Board minutes.** Mr. McClure made a motion to approve the minutes of the March 22, 2018 meeting. Mr. Barron seconded the motion. The minutes were approved by a unanimous vote.
5. **Performance Updates – PFM, John Spagnola.** Mr. Spagnola gave the presentation of the fund's performance in the first quarter of 2018. Mr. Spagnola reminded everyone present that the first quarter is traditionally a weak quarter. In addition to his report, Mr. Spagnola also distributed a one page handout showing fund performance results to May 1, 2018.

Pension Fund

Market Value as of May 1, 2018 = \$415.81 million

As of March 31, 2018:

Q1 gain:	-0.24 percent
Gain since inception:	5.63% (inception date is 9-1-17)
YTD gain:	-0.24 percent
1 year gain:	11.51 percent
3 year gain:	7.29 percent
5 year gain:	8.46 percent

Mr. Spagnola gave market updates and there was discussion of the possibility of trade wars and the volatility in the market that is expected to continue. Mr. Spagnola reported that all sectors were negative for bonds as rates crept up.

Pension Updates – Danielle Mutarelli

Ms. Mutarelli prepared a summary sheet showing the individuals who retired during the period and the amount of their pension benefits. The summary sheet was distributed to each member present.

6. **Motion** – Mr. Barron proposed discussion about engaging the Rosen Law Firm to provide portfolio monitoring services for the Board. Mr. Barron explained that there is no fee unless the Rosen Firm recovers money for the Board. The Rosen Firm will monitor and become aware of violations of state and federal laws, including securities laws and breaches of fiduciary duty affecting the Board's investment

portfolio. At present there are two other law firms also performing these services for the Board, one of which is active.

Mr. Kraft made a motion to appoint the Rosen Firm to provide portfolio monitoring services for the Board. Mr. Seyfried **seconded** the motion. The Board **voted unanimously** to approve the hire of the Rosen Firm.

7. **Resolution** – The next topic proposed for discussion was brought forward by Mr. Seyfried. Mr. Seyfried proposed that the Board adopt a Resolution to cease the withholding of Retiree premium contribution. Mr. Seyfried stated his belief that the withholding of the premium contributions from the pension checks is contrary to law, but that the unlawful action was taken by prior County administrations, not the current County Executive and his administration.

David Ceraul, Esquire, of the County Solicitor's Office was present. Mr. Ceraul stated that the law was not as clear as Mr. Seyfried suggested, but Mr. Ceraul agreed that the Retirement Board is authorized to make decisions concerning pension benefits, and that former County Executives had no authority to make decisions concerning the pension benefits of retirees.

Discussion about the legality of the deductions for Healthcare premium contributions from pension checks continued.

Motion – Mr. Barron made a motion to table the Resolution written by Mr. Seyfried. Mr. Kraft seconded the Motion. **Vote: Yes:** Mr. McClure, Mr. Kraft, Mr. Heckman, Mr. McGee, Mr. Guth and Mr. Barron. **No:** Mr. Seyfried.

Motion – Mr. McClure made a motion to instruct the County to stop deducting healthcare contributions from retirees' pension checks as soon as practical. In addition, the amount lost from the contributions that would be eliminated is to be paid out of the OPEB fund until such time as the Board takes additional action regarding retiree healthcare premium contributions. **Motion seconded** by Mr. Barron. The motion was approved unanimously.

8. **Adjournment** – A Motion was made to adjourn the meeting at 5:17 PM by Mr. McClure; The Motion was **seconded** by Mr. McGee. The Motion passed unanimously.

Postscript: The pension deductions were ended beginning with the pension payments issued to retirees via direct deposit on May 31, 2018, pursuant to the Board's Resolution.