

NORTHAMPTON COUNTY RETIREMENT BOARD MINUTES

January 31, 2018

4:02 PM

1. **Call to Order:** Mr. Lamont McClure called the meeting to order at 4:00 pm.
2. **Call of the Roll:** The following appointees to the Retirement Board were present: Mr. Lamont McClure, County Executive, Mr. Ronald Heckman, Council President, 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 – Ms. Lori Vargo Heffner, Council Member; Mr. John Spagnola, PFM; Mr. Craig Muff, Stifel. Mr. Brandon Dunstane, Fiscal Affairs. Ms. Danielle Mutarelli, Human Resources. Ms. Elizabeth Kelly, Board Secretary.

3. **Swearing in of New Member:** Ms. Gina Gibbs, Register of Wills and Notary Public, administered the oath to Ms. Lori Vargo Heffner, Council Vice President. Ms. Vargo Heffner was sworn in as a Member of the Retirement Board.
4. **Approval of the October 25, 2018 Retirement Board minutes.** Mr. McClure made a motion to approve the minutes of the October 25, 2018 Board meeting. Mr. McGee seconded the motion. The unanimous vote was taken by acclamation.
5. **Performance Updates – PFM, John Spagnola.** Mr. Spagnola gave the presentation of the fund's performance in the fourth quarter of 2018. Mr. Spagnola also reported that, by the date of this meeting, the Pension Fund had regained much of what it lost in the weak fourth quarter of 2018.

Pension Fund

Market Value as of December 31, 2018 = \$373.56 million

As of December 31, 2018:

Q4 gain:	-9.04 percent
Gain since inception:	.43% (inception date is 9-1-17)
YTD gain:	-5.07 percent
1 year gain:	-5.07 percent
3 year gain:	6.23 percent
5 year gain:	4.97 percent

Mr. Spagnola reported that 2018 was a bad year for capital markets. All sectors except healthcare and utilities were negative. Mr. Heckman asked about whether the trade sanctions with China were affecting the market and Mr. Spagnola answered yes. Mr. McClure asked about the impact that program trades had on the Fund. Mr. Spagnola discussed that many Exchange Traded Funds are modelled to sell on certain triggers and that has impact on the market. Mr. Barron asked about the effect of the Federal Government's borrowing and Mr. Spagnola responded that the deficit does not help but is not squeezing borrowing at this time; the United States is already running a trillion dollar deficit. Mr. McClure added that we saw this occur before in the late 1980's and early 1990's and also experienced high inflation. Mr. Spagnola remarked that economies are well run and keep wage inflation low. Mr. McGee remarked that the Fund has been operating with this investment policy for a long time (65% equities) and asked if there was a plan for switching managers periodically. Mr. Spagnola answered that there is no calendar to changing managers and that the Board gets the news of manager changes as it occurs.

6. **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. Mr. Seyfried asked about one of the members, who had received a pension benefit of \$713, 211. 50. Ms. Mutarelli explained that this member had died in active service and had long contributed in excess of the mandatory minimum contribution.

Approval of 4th Quarter 2018 Pensions: A Motion was made by Mr. Seyfried, to approve the list of retirees submitted by Ms. Mutarelli. Mr. McGee seconded the Motion. The unanimous vote was taken by acclamation.

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