

NORTHAMPTON COUNTY RETIREMENT BOARD MINUTES

July 25, 2019

4:00 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; Ms. Lori Vargo-Heffner, Council Vice President; Mr. William McGee, Council Member; Mr. Thomas Guth, active employee Member of Northampton County Retirement system; and Mr. Stephen Barron, Director of Fiscal Affairs. **Absent:** Mr. Gerald Seyfried, Retiree Member.

Others Present –Mr. Marc Ammaturo, PFM; Mr. Brandon Dunstane, Fiscal Affairs; Ms. Danielle Mutarelli, Human Resources; Ms. Elizabeth Kelly, Board Secretary.

3. **Courtesy of the Floor** – None.
4. **Approval of the April 25, 2019 Retirement Board minutes.** Mr. McGee made a motion to approve the minutes of the April 25, 2019 Board meeting. Ms. Vargo-Heffner seconded the motion. The vote to approve was unanimous.
5. **Performance Updates – PFM, Marc Ammaturo.** Mr. Ammaturo gave the presentation of the fund’s performance in the second quarter of 2019.

Pension Fund
Market Value as of June 30, 2019 = \$418.16 million
As of June 30, 2019:
Q2 gain: 3.34 percent
Gain since inception: 7.33 percent (inception date is 9-1-17)
YTD gain: 13.27 percent
1 year gain: 6.26 percent
3 year gain: 9.76 percent
5 year gain: 6.58 percent

Request of Board - Mr. McGee stated that in the future, he would like to see the amount of the fees that the Retirement Fund is paying to **PFM** for its management of the fund. All other Board Members present joined in Mr. McGee’s request.

6. **Actuarial Report** – Mr. Hank Stiehl presented the Actuarial Report. The members discussed that the actuarial assumption for return on investment for the pension fund is 7.5%, and the pension fund is performing well above that amount. Nevertheless, it is necessary as a matter of responsible fund management for the County to contribute additional money to ensure the solvency of the pension fund and its ability to pay current pension annuity benefits to retirees.

Mr. Stiehl reported that the Actuaries are advising the County to contribute \$10,784,343 in 2019. He also reported that the cost of the recent COLA increase to the retirees was \$3,451,553. When amortized over 10 years, this had the effect of requiring an increase in the amount the County is required to contribute to

cover the pension obligations of the fund. Without the COLA, the County's contribution would have been 9.4 million dollars instead of 10.8 million dollars.

Mr. McClure stated his belief that the concerns of the retirees must be balanced against the concerns of the Northampton County taxpayers who are not retirees, to ensure that the taxpayers are not paying an unfair price for retirement benefits.

7. **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.

Approval of 2nd Quarter 2019 Pensions: A Motion was made by Mr. Heckman to approve the list of retirees submitted by Ms. Mutarelli. Ms. Vargo-Heffner seconded the Motion. The unanimous vote was taken by acclamation.

8. **Adjournment** – A Motion was made to adjourn the meeting by Ms. Vargo-Heffner. The Motion was seconded by Mr. Barron. The Motion passed unanimously. The meeting adjourned at 5:48 PM.