

**RETIREMENT BOARD MINUTES
COUNTY OF DELAWARE, PENNSYLVANIA
MEETING OF NOVEMBER 13, 2019
RECONVIENED ON DECEMBER 12, 2019**

TO: Retirement Board

FROM: Joanne Phillips, Board Secretary and Controller

PRESENT: Board Chairman and Council President John P. McBlain; Councilman Michael F. Culp; Councilwoman Colleen P. Morrone; Board Secretary and Controller Joanne Phillips; Treasurer Charlene Mangano; Executive Director Marianne Grace; and Retired Board Solicitor Francis J. Catania (acting on behalf of Solicitor Michael Maddren).

The Meeting was advertised by the Controller's office.

Meeting was called to order at 1:07 p.m. by Board Chairman McBlain.

1. Mr. McBlain introduced Mr. Catania, attending the meeting to present an issue that was voted on at the September 2019 Retirement Board Meeting. At that meeting the Board resolved a request by an estate to have retirement benefits paid to a Vanguard account for the benefit of the beneficiaries. This issue was presented again to the Board by the family's attorney, Jonathan Becker, Esq. and Mr. Catania. A motion was made to approve the request by Councilwoman Morrone and Councilman Culp seconded the motion. Secretary Phillips objected to the action because the Board had resolved the issue and had made a decision in September, and because of a concern regarding the form of payment. There was a discussion about obtaining an opinion of counsel that this is not an assignment of benefits, and to obtain a release and indemnity from the estate. Mr. Catania committed to providing the same. The motion was made subject to obtaining the opinion and documents and approved 4-1, with Secretary Phillips voting against. **(Approved 4-1 vote).**
2. A cost of living increase (COLA) was first discussed in the meeting of November 13, 2019. Actuarial firm Korn Ferry was contacted in the interim and discussed the matter with Chairman McBlain and Ms. Phillips. Korn Ferry provided a cost for the COLA which must be amortized over a 5 or 10 year schedule based on the present value of the liability. The present value cost is \$4,292,285. The rate of the increase is set by law. In light of the information from Korn Ferry, Ms. Morrone recommended a 2.3% increase as required by Act 63 of 2015. With an effective date to be January 1, 2020, which cost would be amortized over 10 years at an annual cost of \$611,410. Ms. Phillips was not in favor of a COLA at this time and requested this motion be tabled until the new Board could consider it. There was no second. Discussion continued, Ms. Phillips discussed the flow of the retirement funds and whether the County could afford to make additional payments. Ms. Phillips reviewed the actuarial information provided by Korn Ferry in August of 2019 that indicated an increase in fund liability. While the fund is strong now, the impact on the County budget is significant because less people will be contributing. A motion was made by Mr. McBlain to approve the increase and Councilman Culp

seconded the motion. All voted in favor of the motion except Secretary Phillips.
(Approved 4-1 vote).

- 3.** The renewal of the RBC contract was presented by Secretary Phillips and a motion made to renew for one year. The contract includes the right of the county to give 30 days written notice to terminate. Councilwoman Phillips made a motion and Councilman Culp seconded the motion. **(Approved 5-0 vote).**
- 4.** With no further business to discuss a motion to adjourn was made by Councilman Culp. Treasurer Mangano seconded the motion. Meeting was Adjourned at 1:45 p.m.

Respectfully Submitted by Joanne Phillips, Secretary