

**RETIREMENT BOARD
COUNTY OF DELAWARE, PENNSYLVANIA
MEETING SEPTEMBER 11, 2025
(In-person and hybrid meeting in County Council Conference Room at 3:00 pm)**

TO: Members of the Retirement Board

FROM: Joanne Phillips, Board Secretary and County Controller

PRESENT: Board Secretary and County Controller Joanne Phillips; Board Chair and County Council Member Christine Reuther (Zoom); Board Member and County Council Member Elaine Schaefer (Zoom); Board Member and County Council Chair Dr. Monica Taylor (Zoom); Board Member and County Treasurer James Hackett; Board Solicitor Mariette Mooyman; Executive Director Barbara O'Malley, Bruce Besecker with RBC Wealth Management, Janet Werner, Relationship Manager with Principal Custody Solutions; Michael Spadaro, Consultant for GRS Consulting; Kris Seets, Senior Consultant for GRS Consulting

- 1) Meeting was called to order by Board Chair Reuther at 3:04 P.M.
- 2) **Approval of Minutes** from meeting of June 5, 2025. Motion made by Board Member Schaefer. Seconded by Treasurer Hackett to approve the minutes. **(Motion passed 5-0).**
- 3) **The Treasurer's Report.** Treasurer Hackett reported that as of July 31, 2025 the value of the fund was \$723,926,489 including the annuities. (Annuities were valued at \$4,096,248.)
- 4) **Public Comment.** There were no public comments.
- 5) **New Business.**
 - a. RBC Update – Mr. Bruce Besecker.

Mr. Besecker reported on general economic data as of June 30, 2025, addressing the global markets, and U.S markets.

Mr. Besecker led the Board through the market review and provided an overall analysis referencing information in the RBC report, which included economic outlook and state of the current market.

Mr. Besecker touched on the equity market update and the historical market trends. He stated that time in the market remains critically important, using as an example first investing in the S&P 500 Index in 2008 and promptly losing 37%, yet maintaining that investment through the end of 2024 would have realized an average annual rate of return of 11% (and just above the stock market's long-term average of a little over 10%). He also

reviewed the various sectors of the S&P 500, noting how over the past 10 years the technology + communication sectors have grown from 22% to 43% of our stock market. Mr. Besecker also went on to review the US versus the global stock market and where the US presence has also grown. Last, the bond market and the fixed income market have also done very well so far this year.

Mr. Besecker reviewed the RBC report which showed as of June 30th the Fund market value in 6 months had grown from \$676.2 million to \$717.3 million. With the exception of international equity being just under its minimum target, overall the Fund was within investment policy limits and he advised no change to the current asset allocation.

In general, the overall portfolio is doing well. First reviewing the equity managers, Mr. Besecker noted each manager had investment performance at or above their designated investment benchmark. Next, most of the fixed income managers were also exceeding their designated benchmarks, the exception being Nationwide and Cumberland. Siguler Guff is delivering what is expected.

Mr. Besecker noted that if you compare the Fund's benchmark to its peers, it is top quartile for 7 years, and just under top quartile for 10 years. Overall, the total fund performance for the County's portfolio is doing well.

Board member Schaefer posed a question about Domestic Equity and the benchmark for July 2025, which did not look positive. Mr. Besecker responded that he did not have an answer for a one-month shortfall, but noted that it is only one month and this will happen from time to time.

Board Chair Reuther questioned if our portfolio is diversified. Mr. Besecker responded that our portfolio is diversified and invested per the adopted Investment Policy. He reviewed again the portfolio with the Board to illustrate the diversification in investments.

b. Custodial Bank – Principal Custody Solutions – Ms. Janet Werner

Ms. Werner reviewed Principal's Strategic Relationship Plan with the Board. She touched on a few of their commitments that have been made to the County: providing a proactive team to work with the County and our financial professionals to help drive our success; will provide a disciplined approach to help safeguard our assets; and will deliver timely, accurate reporting to help manage and run our accounts.

Ms. Werner covered the historical service commitment that Principal provided the County. Some of the 2024/2025 key accomplishments included: increased the number of online inquiry set-ups (total of 277 since June of 2023), deposit of class action proceeds, conducted information sessions and completion of canoe paperwork. Ms. Janet Werner reviewed the benefits paid to pensioners. As of August 31, 2025, there are a total of 2,112 pensioners, 2053 ACH payments, and only 59 checks.

One of the strategic objectives from Principal is to continue discussions around their services with a focus on reporting, efficiencies, and additional services. One of the recommendations that Ms. Werner spoke about was to promote operational efficiencies to help manage overall costs.

Secretary Phillips recommended to Ms. Werner that Principal should resume having information sessions for the County employees to educate them on the process of receiving their pension from Principal once they retire from the County.

Ms. Mooyman asked Ms. Werner if employees at any time can view their investment and amount they have in their pension. Ms. Werner responded that only the pensioners can review their investment amount. The employees will receive an annual statement for their pension investment.

Board Chair Reuther stated that when a new Controller is elected on November 4, 2025, we will set up a meeting with RBC, Principal, Kelly Diaz (CFO), and the Board to orient with the new Controller. Board Chair Reuther suggested that we invite the new Controller to the next Retirement Board meeting, which is held on November 13, 2025. Secretary Phillips agreed it would be a good idea. She mentioned that the transition has started in the Controller's office for the new Controller by assembling materials and resources, as well as transitioning some work to members of the Controller's office to provide for succession.

c. Actuary Update

Secretary Phillips gave a brief introduction about GRS. Mr. Spadaro and Mr. Seets both worked with Korn Ferry in the past, the former actuarial firm. Korn Ferry and GSR believed it had the right to transition over to GRS, and requested the consent of the County. Controller Phillips and the Solicitor worked through documenting the transition of the contract and work on the same terms and conditions as the existing contract. Mr. Spadaro reviewed the Report on 2025 Actuarial Valuation Including Determination of the County Actuarially Determined Contribution for 2025. He discussed the plan description and the contributions made by County employees. Plan members are required to contribute a minimum of 7% of their annual covered salary. The County is required to contribute at an actuarially determined rate. In 2015 the actuarially determined contribution was \$3,987,098 and in 2024 the actuarially determined contribution was \$9,820,748. Mr. Spadaro touched on the unfunded actuarial liability versus normal cost as of January 1, 2025. The certified actuarially determined contribution for 2025 for the Delaware County Employees' Retirement System was \$10,322,063. Secretary Phillips commented that it reflected a savings from what had been estimated in 2024.

Board Member Ms. Schaefer asked when the asset information from RBC will be due for 2026. Secretary Phillips responded that Ms. Besecker from RBC would send asset information by September 30th and GRS would send us the actuarial number by mid-October.

Secretary Phillips offered to arrange a call with Council and GRS if they have any questions regarding the firm or actuarial work.

6) **Old Business.**

a. Litigation Update – Mariette Mooyman Esq.

Board Solicitor Mooyman reported that there are no new class action suits or litigation to report on.

7) **Individual Reports of Board members or committees.**

Board member Schaefer mentioned that the administration offices receive questions on retirement. She suggested on having an employee education session via Zoom to educate on basic information about the pension and how it works. Secretary Phillips thought it was a great idea and will talk to Human Resources about setting it up.

Board Member Schaefer thought it would be good to have Principal on the Zoom call as well.

Board Chair Reuther brought up about a future the RFP process and what should be in it. She reported that Board Member Schaefer and Treasurer Hackett will debrief on the lessons learned from the educational sessions conducted and will give a report at a future Retirement Board meeting. Secretary Phillips thought it would be best to wait on the RFP until 2026.

8) **Discussion of correspondence received by the Board.**

No correspondences received by the Board.

9) **Public Comments.** There were no public comments.

10) **Adjourn Public Meeting.**

Motion made by Secretary Phillips to adjourn the meeting at 4:17 P.M., Board Member Schaefer seconded this motion (**Motion passed 5-0**).

Next meeting – November 13, 2025, at 3:00 pm