

**RETIREMENT BOARD
COUNTY OF DELAWARE, PENNSYLVANIA
MEETING JUNE 5, 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; Board Member and County Council Member Elaine Schaefer (Zoom); Board Member and County Council Chair Dr. Monica Taylor; Board Member and County Treasurer James Hackett; Board Solicitor Mariette Mooyman; Executive Director Barbara O'Malley, Bruce Besecker with RBC Wealth Management, Michael Courtney with RBC Wealth Management; Janet Werner, Relationship Manager with Principal Custody Solutions

- 1) Meeting was called to order by Board Chair Reuther at 3:03 P.M.
- 2) **Approval of Minutes** from meeting of February 6, 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 April 30, 2025 the value of the fund was \$673,317,151 including the annuities. (Annuities were valued at \$3,981,844.)
- 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 March 31, 2025, addressing the global markets, and how the US was down 4.3%, which could have been due to the anticipation of tariffs. Mr. Besecker stated that the market does not like uncertainty and there are a lot of unknowns with the tariffs.

Mr. Besecker led the Board through the market review and provided an overall analysis. Referencing information in the RBC report, Mr. Besecker informed the Board that inflation is looking good because it appears to be stabilizing. Gold and silver are going up because people are concerned about volatility.

Mr. Besecker touched on the historical market trend of the S&P 500 Index and stated that

holding on to equities for a longer period will confirm positive results. He also reviewed the U.S. capitalization and style performance and P/E ratio. The growth sector is down as well as the small caps. The large cap value stocks have performed well.

Mr. Besecker reviewed the Asset Allocation from the RBC Report and first touched on the equity funds and the 2015 capital markets assumptions and their actual 10-year returns. Mr. Besecker also reviewed RBC's 2025 20-year capital market assumptions; he pointed out from the 2015 review how difficult it is to predict what the market will do over the next 10. Mr. Besecker touched on U.S. Large Cap Equity, U.S. Mid Cap Equity, U.S. Small Cap Equity, International Equity and Emerging Markets Equity and reviewed the assumptions for each.

Still referencing the asset allocation review, Mr. Besecker reported on portfolio statistics for the 5 years ending 5/31/2025 for both the current investment allocation and investment policy. Both allocations exceeded the 7.0% actuarial rate of return. Board Chair Reuther asked Mr. Besecker why the Bond Market is so skittish currently. Mr. Besecker responded that the capital markets of the 1980s had bond market vigilantes who would react quickly, and negatively, to any news of increased deficit spending from the government, and recent actions indicate this behavior has returned to the fixed income markets. Secretary Phillips stated that we need to be realistic of what the capital markets can provide. In 2019/2020, the actuarial assumption for return was 7.5%, and the County did make the change to 7%.

The YTD performance report through April 30, 2025 had a return of (0.1%) which was slightly better than the benchmark return of (0.3%). Mr. Besecker reviewed each fund comprising the Pension Fund and confirmed that the allocations are within the investment policy. We discussed performance of fund managers as reflected in the report, focusing on performance and benchmarks, with most of the portfolio managers having positive excess investment performance as compared to their respective benchmarks.

Mr. Besecker touched on market performance for Q2. The S&P 500 Index turned up in May and the County's portfolio was now doing much better.

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

Ms. Janet Werner reviewed the benefits paid to pensioners. As of June 1, 2025, there are a total of 2,096 pensioners. One month's typical benefit payment is approximately \$3.2 million. Since February 2024, 20 new pensioners signed up for online access, for a total of 267 who have signed up.

Class action settlements administered by Principal from January 2024 – May 31, 2025, generated approximately \$16,750.24 from claims, with the largest claim in the amount of \$4,631 from US Express Enterpriser.

c. Review Investment Policy

Board Chair Reuther questioned Mr. Besecker how frequently we should review our investment allocation and consider the risk mitigation through the bond markets. Mr.

Besecker responded that the County and RBC review the investments and allocation every Retirement Board meeting. As far as the Bond Market, it has not been at its best in the last 10 years. He went on to explain that the big risk mitigators are the stock market, which does well over time.

Board Member Schafer inquired if cash requirements are projected. Mr. Courtney responded that RBC can perform the analysis for projecting needs for one, three and 5 years. Mr. Besecker works with the fund managers to handle cash flow needed to fund the monthly payments. Secretary Phillips informed the Board that her office has worked with RBC to establish a structure to raise cash. Sales of securities to raise cash are balanced against use of the ADC and when possible, we capitalize to use gains when the funds did well..

6) **Old Business.**

a. Litigation Update – Mariette Mooyman Esq.

Solicitor Mooyman reported that there are no new class action suits to report on. Secretary Phillips will get together with Solicitor Mooyman to review any litigation.

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

Board Chair Reuther provided an update on the education efforts conducted by her committee to inform the future investment manager RFP options. Board Chair Reuther shared how useful and very helpful the sessions were for the committee. Board Chair Reuther, Treasurer Hacket and Board member Schaefer will compile the information and present a summary report to the Retirement Board at a later meeting in 2025.

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

While the Controller's office routinely receives correspondence and reports between meetings, Secretary Phillips explained that generally not all is circulated to the Board unless determined to be of interest or material. For this meeting, the Secretary distributed packets to the Board Members, which included a letter from Siguler Guff. The letter from Siguler Guff Small Buyout Opportunities Fund IV, LP gave a breakdown of the County's projected capital account balance based on the March 31, 2025, estimated financial information provided to them by the underlying fund managers.

Secretary Phillips mentioned that our representative, David Reichert, from Korn Ferry has left the firm. She has a call with Korn Ferry to discuss who will be taking over our account. We would expect an update on the situation by the next meeting.

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

10) **Adjourn Public Meeting.**

Motion made by Board Member Schaefer to adjourn the meeting at 4:00 P.M., Secretary Phillips seconded this motion (**Motion passed 5-0**).

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