RETIREMENT BOARD
COUNTY OF DELAWARE, PENNSYLVANIA
MEETING SEPTEMBER 24, 2026
(In-person and hybrid meeting in County Council Conference Room at 3:00 pm)

TO: Members of the Retirement Board

FROM: Louis F. Rosenthal, Board Secretary and County Controller

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

1) Meeting was called to order by Secretary Rosenthal at 3:03 P.M.

2) Election of Chair – Secretary Rosenthal reported that on July 15, 2026, Council Vice Chair Reuther resigned her position on the Retirement Board, and County Council appointed Dr. Monica Taylor to fill the vacancy. Motion made by Board Member Taylor to nominate Board Member Phillips for Chair. Seconded by Board Member Schaefer to nominate Board Member Phillips for Chair. **(Motion passed 5-0)**

3) **Public Comment.** There were no public comments.

4) **Approval of Minutes** from meeting of May 21, 2026. Motion made by Board Chair Phillips. Seconded by Board Treasurer Hackett to approve the minutes. **(Motion passed 5-0)**

5) **The Treasurer's Report.** Treasurer Hackett reported that as of June 30, 2026, the value of the fund was $830,122,289 including the annuities. (Annuities were valued at $4,550,548)

6) **New Business.**

   a. RBC Update – Mr. Bruce Besecker.

Mr. Besecker reported on general economic data as of June 30, 2026, addressing the global markets, and U.S markets. He led the Board through the market review and provided an overall analysis by referencing information in the RBC report, which included both the economic outlook and state of the current market.

Mr. Besecker reviewed the S&P 500 and pointed out that the US was up 15.2% . Due to significant rise in rates, US is the shining star compared to the other countries. The Commodity Corners are up due to rise in war.

Mr. Becker reviewed the financials where it showed Domestic Equity's actual allocation was up to 46.3% and the target allocation showed 40.0%. He then reviewed each of the County's fund performance and it showed all investment managers are doing well except Boston Partners. Boston Partners versus Benchmark was down and all other investment managers are outperforming Boston Partners. Board Member Schaefer inquired if we should keep Boston Partners on the watchlist. Both Mr. Besecker and Mr. Courtney agreed that they should be put on a watchlist.

Mr. Besecker went over the County's performance versus their peers. Compared to their peers, the County is doing 14% better. RBC compiled retirement fund data for Bucks, Chester, Delaware and Montgomery Counties from their respective publicly available actuarial reports from 2015 until 2024. The data included the reported market value rates of return and funded ratios. Delaware County had best performance in the past 5 years. Board Chair Phillips asked if those counties had similar investment policies as Delaware County. Mr. Courtney responded yes, they are very similar to Delaware County's policy.

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

Ms. Janet Werner reviewed the benefits paid to pensioners. As of September 1, 2026, 2,172 benefit payments were made; 2,114 via ACH and 58 checks totaling $3,493,238 There are 343 registered users of the Retirement Payment Center.

The total money received for Class Action settlements was $545.49 from May 1, 2026 to September 21, 2026.

Board Chair Phillips encourages pensioners to sign up for direct deposit.

7) GRS – 2026 Retirement Plan Valuation. Mr. Seets and Mr. Spadaro from GRS Consulting presented the 2026 Retirement Plan Valuation. The purpose of the 2026 funding valuation is to review the demographic experience and investments during CY2025, provide information on the funded status by comparing the assets to the liabilities and determine the Actuarially Determined Contribution (ADC) for 2026.

Mr. Spadaro explained the two components of the ADC (Budgeting Tool). First component is the normal cost, which is contribution for the current year of service accrued, and the second is the amortization payments, which is the contribution to pay down the unfunded liability. The 2026 ADC reflects: 1) membership information as of December 31, 2025 and 2) the actuarial value of assets as of December 31, 2025. Mr. Spadaro went on to explain how the County of Delaware utilizes an asset smoothing method to help dampen the effect of investment market volatility on the funding status and employer contribution rates. He reviewed the summary of member information from January 1st of 2025 and 2026. Board Chair Phillips and Secretary Rosenthal both agreed that the budgeting tool makes sense and asked Mr. Seets if the budgeting tool could be amended. Mr. Seets responded that the current policy reflects what is happening right now.

It is rare that we go back on recommendations for the future. We want it to be stable.

Mr. Seets then spoke about the investment return assumption. The key forward-looking assumption is as follows: 1) determines the present value of future expected benefit payments, reflects the expected long-term performance of the invested assets and is used in the actuarial valuation to determine the system's funded position and contribution needs. The investment return assumption is a long-term assumption (20+ years). The actuarial investment performance during individual years, as well as over longer periods, will likely differ significantly from the assumption.

Mr. Seets reviewed a chart that showed the range of future expectations, which included Capital Market Assumption (CMA) Distribution of 10-year Average Geometric Net Nominal Return and Probability of Exceeding. Board Member Schaefer asked why the numbers were much lower than the past. Mr. Seets said it was due to low inflation back then compared to now.

Mr. Seets presented the effects on plan funding. The table showed the County's actual compared to the estimated effect of potential reductions in the investment return assumption. Currently the County investment assumption is at 7%, County Contribution (ADC) is $6.47, and Funded Ration is 100.1%. If the County were to reduce to 6.75%, the County Contribution (ADC) would be $9.12 and Funded Ration would be 97.6%.

The last thing that Mr. Seets discussed was the next steps. He went over a few bullet points for consideration for investment return assumptions. First, the Board could make a motion to adopt an Investment Return Assumption for the 2027 Valuation and Contribution (7% to 6.75%). Secondly, the Board could defer a decision to a future meeting. GRS will provide a 2027 contribution estimate around October 2026 and can include the effect of a change in the Investment Return Assumption. Board Chair Phillips responded that she would like to see the GRS numbers including the COLA number of 4.2%.

8) Review Current Investment Policy and Potential Revisions/Updates
Prior to the meeting, Secretary Rosenthal and Mr. Besecker from RBC reviewed the investment policy. The Board also reviewed the policy prior to today's meeting. Board Chair Phillips adopted a motion to accept and approved the Investment Policy. Treasurer Hackett seconded the motion **(Motion passed 5-0).**

Secretary Rosenthal informed the Board that Sharon Polen (Executive Assistant/Office Manager for Controller) will clean up, format, and get signatures for Investment Policy,

9) **Old Business.**

a. <u>Litigation Update – Mariette Mooyman, Esq.</u>

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

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

Board Member Schaefer suggested setting up a meeting for the subcommittee to meet and discuss the education on RFP process. Board member Schaefer will set up meeting and send out an invite to subcommittee members (Louis Rosenthal, Joanne Phillips, Dr. Monica Taylor, James Hackett and Christine Reuther)

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

No correspondence received by the Board.

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

13) **Adjourn Public Meeting.**

Motion made by Board Chair Phillips to adjourn the meeting at 4:13 P.M. Board Member Schaefer seconded this motion **(Motion passed 5-0)**.

Next meeting – November 19, 2026