

RETIREMENT BOARD MINUTES

August 14, 2025

4:00 p.m.

1. **Call to Order:** Mr. Lamont McClure called the meeting to order at 4:01 p.m.
2. **Call of the Roll:** The following appointees to the Retirement Board were present: Mr. Lamont McClure, County Executive; Ms. Lori Vargo Heffner, Council President; Mr. Thomas Giovanni, Council Member; Ms. Patricia Strunk, Retiree Member; Mr. Thomas Guth, active employee Member of Northampton County Retirement system; Mr. Stephen Barron, Director of Fiscal Affairs.

The following appointees to the Retirement Board were absent: Mr. John P. Goffredo, Council Vice President.

Others Present – Mr. John Spagnola, PFM; Mr. Bryce Meyers, Fiscal Affairs; Ms. Mary Lou Zieger, Human Resources; Mr. Michael Colón, Human Resources; Ms. Danielle Mutarelli, Human Resources; Ms. Stephanie Hann, Human Resources.

3. **Courtesy of the Floor:** None
4. **Approval of the April 24, 2025 Retirement Board minutes:** Mr. Barron made a Motion to approve the minutes of the April 24, 2025 board meeting by acclamation. The vote to approve was unanimous.
5. **Performance Updates – PFM, John Spagnola:** Mr. Spagnola gave the presentation of the fund's performance in the 2nd quarter of 2025.

Pension Fund market value as of June 30, 2025: \$542,010,070

As of June 30, 2025:

Q2 gain:	7.71 percent
Gain since inception:	8.12 percent (inception date is 9/1/2017)
YTD gain:	7.66 percent
1-year gain:	12.68 percent
3-year gain:	11.71 percent
5-year gain:	9.17 percent

Mr. Spagnola stated that the second quarter returns rebounded very strongly. The S&P is up almost 11 percent for the quarter and the economy continues to grow at about 2 percent. Unemployment rates are stable around 4.2 percent.

PFM does not expect the Federal Reserve to lower rates since inflation is currently flat, but it is possible that the Federal Reserve will lower rates next year because inflation is still above the two percent target.

Markets have performed well this year and this is the third quarter of double-digit earnings growth. The S&P outperformed expectations of 4-5 percent earnings growth with actual performance of over 10 percent earnings growth. International equity had very strong returns overseas, partly due to the decreased value of the dollar.

Mr. McClure remarked that it appears the international market typically follows the U.S. market if the U.S. market is experiencing a correction. Mr. Spagnola confirmed this is accurate. Mr. McClure expressed his opinion that, not being an expert, he does not feel that investment in international equities is

an effective hedge against a U.S. market correction because the international market performance typically follows the U.S. market regardless of this ostensible buffer. Mr. Spagnola agreed with Mr. McClure's point, and explained that the correlation between the two markets has evolved over the past few decades. Mr. McClure asked Mr. Spagnola to confirm whether it is correct that the international markets will not be a hedge against a U.S. correction and we are not able to time markets, but that the County's funds are as defensively postured as they can be while still growing. Mr. Spagnola agreed. Mr. McClure requested that the minutes direct readers to the conservatively-invested plan, which can be found on 1.10 of the "Northampton County Pension Plans Investment Performance Review For the Quarter Ended June 30, 2025."

Mr. Spagnola stated that the current yield from bonds at 5 percent return on 40 percent of our assets provides a hedge against market fluctuations that was not available to buffer returns in 2022, which was a year of significantly low yield.

The Pension fund is performing ahead of actuarial assumptions and is back over half a billion dollars in assets. The fixed income asset class investments matched the bond market.

Golub Capital Partners and Blackstone Infrastructure Partners report their returns two months after the end of the quarter. These investments should add needed overall income to the portfolio.

The Pension Fund's market value as of August 14, 2025 is approximately \$555,291,000. Mr. McClure and Mr. Barron remarked that this is the highest the Pension fund has ever been.

PFM adjusted the asset allocations and reduced the domestic equity and international investments to maintain the fund's risk profile and the fund is performing well overall.

Ms. Vargo Heffner noted that the decision to invest in Blackstone Infrastructure Partners was made in a different financial climate and that a significant amount of money was targeted for the investment at that time. She asked whether anything happening with the Federal Government may affect these investments in the long-term, and whether PFM still sees this as a beneficial long-term investment; is this investment contingent upon U.S. strategy?

Mr. Spagnola replied that the County's investments with Blackstone Infrastructure Partners are not dependent on market factors or tax bills; this is a global, private fund that yields returns from the vast infrastructure needs of the United States and diversifies the County's investments with a 10.16 percent return over 3 quarters.

6. Pension Updates – Ms. Mutarelli

Ms. Mutarelli prepared a summary sheet showing the individuals who retired during the second quarter and the amount of their pension benefits. Each member present received the summary sheet.

Approval of 2nd quarter Pensions: Ms. Vargo Heffner made a Motion to approve the list of retirees submitted by Ms. Mutarelli. Mr. Barron seconded the Motion. The vote to approve was unanimous.

7. 2025 Actuarial Valuation Report – Mr. Barron

Mr. Barron invited the board to review the Actuarial Valuation Report they received at the beginning of the meeting and address specific questions at the next quarterly meeting. He stated that the Pension fund is 90 percent funded, formerly at its peak of 95 percent funded. Mr. McClure observed that this may be overfunded and Mr. Barron supported this observation in stating that the nationwide average for funding a pension plan is 68 percent.

Mr. Barron notified the Board that Korn Ferry is selling off many of their clients and sent us a letter informing the County that we were merged to another company. Korn Ferry did not approach the County for real input prior to the merger. Furthermore, Korn Ferry relayed County information to a “trusted partner” company without the County’s consent, which Korn Ferry assured us was deleted after the County expressed dismay that this occurred. Therefore, the County is taking the Actuarial Services out to bid unexpectedly. Mr. McClure asked Mr. Barron whether the Board will evaluate the RFP and Mr. Barron confirmed that Procurement will prepare the RFP for the Board and the Board will evaluate and choose the new Actuarial Services company. Mr. Barron stated he anticipates a number of local and national firms to express interest in working with the County and bid on the RFP. Mr. Barron suggested that the board may discuss the proposals in the fourth quarter and finalize it by the end of the year. He indicated that the company who assumed responsibility for the actuarial reports – GRS – would like to earn our business and may bid on the RFP.

Ms. Vargo Heffner asked the Board about the healthcare benefits for specific Retirees and Ms. Mutarelli provided a general overview of the retirement process and retiree health care benefits upon the request of Mr. McClure.

8. **Adjournment:** Ms. Vargo Heffner made a Motion to adjourn the meeting. The Retirement Board meeting adjourned at 4:35 p.m.

NORTHAMPTON COUNTY OTHER POST EMPLOYMENT BENEFITS FUND (OPEB)
BOARD MINUTES

August 14, 2025

4:00 p.m.

1. **Call to Order:** Mr. Lamont McClure called the meeting to order at 4:35 p.m.
2. **Call of the Roll:** The following appointees to the Retirement Board were present: Mr. Lamont McClure, County Executive; Ms. Lori Vargo Heffner, Council President; Mr. Thomas Giovanni, Council Member; Ms. Patricia Strunk, Retiree Member; Mr. Thomas Guth, active employee Member of Northampton County Retirement system; Mr. Stephen Barron, Director of Fiscal Affairs.

The following appointees to the Retirement Board were absent: Mr. John P. Goffredo, Council Vice President.

Others Present – Mr. John Spagnola, PFM; Mr. Bryce Meyers, Fiscal Affairs; Ms. Mary Lou Zieger, Human Resources; Mr. Michael Colón, Human Resources; Ms. Danielle Mutarelli, Human Resources; Ms. Stephanie Hann, Human Resources.

3. **Courtesy of the Floor:** None
4. **Approval of the April 24, 2025 OPEB Fund minutes:** Mr. Barron made a Motion to approve the minutes of the April 24, 2025 board meeting by acclamation. The vote to approve was unanimous.
5. **Performance Updates – PFM, John Spagnola:** Mr. Spagnola gave the presentation of the fund's performance in the 2nd quarter of 2025.

OPEB Fund market value as of June 30, 2025: \$55,545,076

As of June 30, 2025:

Q2 gain:	7.00 percent
Gain since inception:	7.71 percent (inception date is 9/1/2017)
YTD gain:	7.43 percent
1-year gain:	12.10 percent
3-year gain:	10.61 percent
5-year gain:	8.34 percent

The OPEB trust fund is invested and allocated similarly to the Pension fund with the same underlying managers and alternative managers; returns for its asset classes are comparable. Mr. Spagnola stated that the fund's total assets are approximately 610 million. Mr. McClure remarked that the fund is larger than the County government's funds. He asked Mr. Spagnola to confirm that he wouldn't envision changing the way the OPEB funds are managed vis-à-vis the Pension fund. Mr. Spagnola confirmed that he would not change this and the fund itself tracks nicely.

6. **Adjournment:** Mr. Giovanni made a Motion to adjourn the meeting. The OPEB Fund meeting adjourned at 4:39 p.m.

HUGH MOORE TRUST BOARD MINUTES

August 14, 2025

4:00 p.m.

1. **Call to Order:** Mr. Lamont McClure called the meeting to order at 4:39 p.m.
2. **Call of the Roll:** The following appointees to the Retirement Board were present: Mr. Lamont McClure, County Executive; Ms. Lori Vargo Heffner, Council President; Mr. Thomas Giovanni, Council Member; Ms. Patricia Strunk, Retiree Member; Mr. Thomas Guth, active employee Member of Northampton County Retirement system; Mr. Stephen Barron, Director of Fiscal Affairs.

The following appointees to the Retirement Board were absent: Mr. John P. Goffredo, Council Vice President.

Others Present – Mr. John Spagnola, PFM; Mr. Bryce Meyers, Fiscal Affairs; Ms. Mary Lou Zieger, Human Resources; Mr. Michael Colón, Human Resources; Ms. Danielle Mutarelli, Human Resources; Ms. Stephanie Hann, Human Resources.

3. **Courtesy of the Floor:** None
4. **Approval of the April 24, 2025 Hugh Moore Trust minutes:** Ms. Vargo Heffner made a Motion to approve the minutes of the April 24, 2025 board meeting by acclamation. The vote to approve was unanimous.
5. **Performance Updates – PFM, John Spagnola:** Mr. Spagnola gave the presentation of the fund's performance in the 2nd quarter of 2025.

Hugh Moore Trust Fund market value as of June 30, 2025: \$1,636,505

As of June 30, 2025:

Q2 gain:	7.77 percent
Gain since inception:	6.86 percent (inception date is 12/1/2020)
YTD gain:	7.92 percent
1-year gain:	12.88 percent
3-year gain:	11.67 percent
5-year gain:	N/A percent

The Hugh Moore Trust Fund assets appreciated robustly since the end of the second quarter. Its assets are invested similarly to the Pension and OPEB trust funds in the domestic equity asset class, but it does not have the alternative investments the other funds have. Asset allocations are balanced and close to target.

6. **Approval of Hugh Moore Trust Fund Earnings Transfer – Mr. Barron, Mr. Meyers**

Mr. Barron requested approval from the board to take \$247,398.05 from the Hugh Moore Trust fund's earnings for the expenditures of Louise Moore Park. This is an annual reimbursement to the general fund based on a formula in the trust document whereby the County is permitted to seek reimbursement of the lesser of total park expenses or total earnings in the fund, and the amount is higher some years than others.

Ms. Strunk made a Motion to approve the funds transfer. Ms. Vargo Heffner seconded the Motion. The board voted and the Motion passed unanimously.

7. **Adjournment:** Mr. Giovanni made a Motion to adjourn the meeting. The Hugh Moore Trust meeting adjourned at 4:44 p.m.