

## HUGH MOORE TRUST BOARD MINUTES

October 28, 2021

4:00 p.m.

1. **Call to Order:** Mr. Lamont McClure called the meeting to order at 4:42 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. William McGee, Council Vice President; Mr. Thomas Guth, active employee Member of Northampton County Retirement system; Mr. Gerald Seyfried, Retiree Member; and Mr. Stephen Barron, Director of Fiscal Affairs.

Others Present – Mr. John Spagnola, PFM; Mr. Bryce Meyers, Fiscal Affairs; Ms. Mary Lou Kaboly, Board Secretary; Ms. Danielle Mutarelli, Human Resources; Ms. Stephanie Hann, Human Resources.

Not Present – Mr. Ronald Heckman, Council Member

3. **Courtesy of the Floor** – None.
4. **Approval of the August 3, 2021 Hugh Moore Trust minutes.** Mr. Barron made a Motion to approve the minutes of the August 3, 2021 board meeting by acclamation for all three meetings during the Retirement Board Meeting. The vote to approve was unanimous by acclamation.
5. **Performance Updates – PFM, John Spagnola.** Mr. Spagnola gave the presentation of the fund's performance in the 3<sup>rd</sup> quarter of 2021.

Hugh Moore Trust Fund market value as of September 30, 2021 = \$1,523,830

As of September 30, 2021:

|                       |   |
|-----------------------|---|
| Q3 gain:              | -0.46 percent                               |
| Gain since inception: | 12.17 percent (inception date is 12/1/2020) |
| YTD gain:             | 8.28 percent                                |
| 1-year gain:          | N/A   |
| 3-year gain:          | N/A   |
| 5-year gain:          | N/A   |

Mr. McClure asked Mr. Spagnola how he would characterize the Hugh Moore Trust fund's investment strategy and whether there is a material difference between this fund and the pension fund. Mr. Spagnola replied that the fund is a 65/35 mix of equities and fixed income, which is considered moderate, and the fund's managers and benchmarks are similar to the pension and OPEB funds.

Ms. Vargo asked how the fund performed during the year in PFM's custody. Mr. Spagnola replied that the return since inception is 12.17 percent, which outperformed the benchmark at 10.38 percent. Overall investment return for the fund in ten months is \$233,000.

Mr. McClure asked what PFM sees for the future of the fund, and whether the transition to U.S. Bank will change the way PFM advises the Board. Mr. Spagnola replied that PFM feels they have more capabilities to offer the Board as they grow with U.S. Bank. PFM will probably be increasing equity allocations for the fund because the market is constructive on equity, and that bodes well for equity returns.

Ms. Vargo Heffner asked whether the change to the fund's asset allocations over a year ago should remain as they are. Mr. Spagnola replied that the fund is performing well with the asset allocations that PFM chose at that time.

Mr. McGee asked whether PFM anticipates a correction to the market, and is prepared. Mr. Spagnola responded that PFM always anticipates a correction to the market, and is ready to move money quickly if they need to because we allow PFM discretion over the account instead of using a consultant.

6. **Adjournment** – Ms. Vargo Heffner made a Motion to adjourn the meeting. The Hugh Moore Trust meeting adjourned at 4:43 p.m.