

EAST GOSHEN TOWNSHIP
PENSION COMMITTEE MEETING
JUNE 8, 2011

The East Goshen Township Pension Committee met at the East Goshen Township Building on Wednesday, June 8, 2011 at 1:00 pm. Committee members present were: Deborah Beury, Paul Coleman, Mark Miller and Giulio Perillo. Member Marty Shane was not present. Others present were: Rick Smith, Township Manager and Kathy Brill, representing non-uninformed staff.

1. Introductions

Since this was the first meeting of the committee, Rick introduced everyone.

2. Call to Order, Pledge of Allegiance and Moment of Silence

Rick called the meeting to order, led those present in the Pledge of Allegiance and asked for a moment of silence to remember our troops.

3. Recording of Meeting

Rick asked if anyone present would be recording the meeting. There was no response.

4. Old Business

None

5. New Business

a. Election of Chairman – Giulio Perillo volunteered to serve as Chairman.

b. Election of Vice Chairman – Giulio nominated Paul as Vice Chairman. All agreed.

c. Defined Contribution Plan

i. Act 44 – Rick explained that the Township has a Defined Benefit Plan which was closed as of 12/31/10. On 1/1/11 a Defined Contribution Plan was set up, which will fund 5% of employees' gross pay. Act 44 is a new PA state law with restrictions as to who can be hired as contractors. Also the Township has to explain why that person was selected.

ii. Funding Strategy - Under this plan the employees cannot direct where their money will be invested. The Committee will develop a funding strategy. The Committee needs to prepare an RFP for a Pension Consultant to advise the Committee and a Fund Manager who will handle the money. Tom Anderson of Anderson Assocs. in Kennett Square, PA will remain as consultant of the Defined Benefit Plan. Deb feels the strategy and pension consultant are the first things to be done. She will provide a census of the employees with salary and the date that they will reach 65. No names will be used, no date of birth, employees will be identified by numbers. She verified that overtime is counted as gross pay but bonus and severance are not. The beneficiary will be the spouse unless

authorized differently. When they retire, an annuity is available but Deb feels most people take the lump sum and roll it over to an IRA. Currently, investing is done through Keystone in West Chester and INR in Media. Rick explained that all employees received a statement for the Defined Benefit Plan as of 12/31/10 which showed the amount they will receive at age 65. This amount will not change. If an employee leaves before they are 65 but they are vested, they can transfer their funds, they don't have to wait until age 65. Giulio would like to have Keystone and INR come to make a short presentation. Deb said INR meets with her on a quarterly basis. Kathy said the police pension plan uses INR and Keystone and they are very pleased with them.

iii. RFPs – Rick will prepare draft RFPs for the Pension Consultant and the Fund Manager for approval at the next meeting. He feels a Fund Manager should be selected before the Committee works on a funding strategy.

iv. Trustees – Giulio would like an explanation of who answers to whom. He understands that the Pension Committee answers to the Board of Supervisors, but who is the Trustee and Board of Trustees. Rick will contact Township Counsel who wrote the plan.

v. Deadline – The deadline to have everything in place and make the first payment is the end of January 2012.

d. Meetings – It was decided to have the next meeting on Wednesday, July 6, 2011 at 1:00 pm. Rick will advertise that future meetings will be held on the first Wednesday of the month at 1:00 pm.

There being no further business, Giulio made a motion to adjourn the meeting. Paul seconded the motion. The motion passed unanimously. The meeting was adjourned at 1:45 pm.

Respectfully submitted,

Ruth Kiefer, Recording Secretary