

EAST GOSHEN TOWNSHIP
PENSION COMMITTEE MEETING
July 6, 2011

The East Goshen Township Pension Committee met at the East Goshen Township Building on Wednesday, July 6, 2011 at 1:00 pm. Committee members present were: Deborah Beury, Paul Coleman, Mark Miller, Giulio Perillo and Marty Shane. Others present were: Rick Smith, Township Manager.

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

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

2. Minutes

Paul made a motion to approve the minutes of the June 8, 2011 meeting. Giulio seconded the motion. The motion passed. Marty abstained.

3. Recording of Meeting

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

4. Old Business

None

5. New Business

a. InR Advisory Services - Michael Glackin, President, and Jeffrey Hugo, Vice President gave a presentation to the committee members outlining InR's services. They are investment advisors for 60 municipalities using defined benefit and defined contribution plans. Since this is a new defined contribution plan, they will need a census of the group in order to look at the time horizons of the employees. They found that they were changing money managers too often so they are using Vanguard ETF (exchange traded funds), which cost less. Their annual fee is .55% of the total assets in the plan, which is taken quarterly in advance. They have regular quarterly meetings with the plan trustees. They use bonds, equities and some real estate investments. They do not use hedge funds, commodities or gold. TD Ameritrade is the custodian. The State audits the plan.

b. Key Financial Inc – Patti Brennan, President, and Eric Fuhrman, Sr. Advisor, gave a presentation to the committee members outlining their services. They have experience managing pension plans for several municipalities. They use money managers and all classes of assets. Their annual fee is .70% which is taken quarterly in arrears. They use no-load funds and there is a \$25 trading fee. They have quarterly reviews with the plan trustees, and Patti will meet with any individual as needed. Their typical allocation is

60/40, but Patti explained her method based on the time horizon of the employees:

0-3 years are safe and secure investments;

3-6 years are intermediate investments; and

7+ years are growth and long term investments.

Marty asked how they select effective money managers. Patti said they use an appropriate benchmark and constantly review them.

c. Draft RFPs – Giulio commended Rick on the RFPs he created. Rick explained that after the RFPs are approved they will be sent to the Daily Local newspaper and posted on East Goshen Township’s website. At the August meeting, the committee will evaluate the resumes. Marty made a motion to approve the RFPs and send them out for advertising. Mark seconded the motion. The motion passed.

d. Board of Trustees – Giulio reviewed the response from the Solicitor. The Board of Trustees is responsible for maintaining the trust assets. Giulio made a motion to nominate Deb and Paul as Trustees. Marty seconded the motion. The motion passed.

e. Statements – Each individual in the plan will receive a statement for their portion of the plan. Rick feels that, at this point, it will be an annual statement with the first one sent out in the 1st quarter of 2012. Giulio made a motion to issue reports to individuals once a year in the first quarter, with the first one due the first quarter of 2012, unless overruled by the Board of Supervisors or legal counsel. Marty seconded the motion. The motion passed.

f. Other Items - Deb that PSATS offers a Roth to its employees. This has no tax consequences when the money is taken out. Paul asked what an employee who is 45 years old and has been with the township for 20 years gets when he leaves. Deb responded that he could roll the money to the new employer’s plan or to an IRA.

There being no further business, Giulio made a motion to adjourn the meeting. Deb seconded the motion. The motion passed unanimously. The meeting was adjourned at 3:05 pm. The next meeting will be held on Wednesday, August 3, 2011 at 1:00 pm.

Respectfully submitted,

Ruth Kiefer, Recording Secretary