

PENSION COMMITTEE
AGENDA
February 1, 2012
1:00 PM

1. INTRODUCTIONS
2. CALL TO ORDER / PLEDGE OF ALLEGIANCE / MOMENT OF SILENCE
2. CHAIRMAN WILL ASK IF ANYONE IS GOING TO RECORD THE MEETING
3. APPROVAL OF MINUTES
 - a. January 4, 2011
4. OLD BUSINESS
5. NEW BUSINESS
 - a. Appoint trustees for Defined Benefit Plan
 - b. Review investments for Defined Benefit Plan
 - c. Discuss Post Employee Benefit Trust
6. PUBLIC COMMENT
7. ADJOURNMENT

1 draft
2 EAST GOSHEN TOWNSHIP
3 PENSION COMMITTEE MEETING
4 January 4, 2012
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7 The East Goshen Township Pension Committee met at the East Goshen Township Building on
8 Wednesday January 4, 2012 at 1:00 pm. Committee members present were: Deborah Beury,
9 Giulio Perillo, Marty Shane, Paul Coleman and Mark Miller. Others present were: Rick Smith,
10 Township Manager, and Victor Cozzone, Financial Advisor with Raymond James.
11

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

13 Giulio called the meeting to order, led those present in the Pledge of Allegiance, and
14 asked for a moment of silence to remember our troops.
15

16 2. Minutes

17 The Chairman noted that the minutes of the December 7, 2011 meeting were approved.
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19 3. Recording of Meeting

20 Giulio asked if anyone present would be recording the meeting. There was no response.
21

22 4. Old Business

23 a. Giulio welcomed Victor Cozzone, Financial Advisor with Raymond James. He
24 reviewed the purpose of the meeting to discuss fee schedules and performance
25 measurements. He mentioned that this will be Victor's first municipal account. He also
26 mentioned that he was unsuccessful in contacting the remaining references.
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28 b. Performance Measurement—Giulio reviewed the Committee's acceptable goal/target
29 as GDP + inflation + financial advisor's fee. Victor provided a file of monthly reports for
30 a sample account which showed the history of investing and rate of return for each
31 month for last year. This sample account represents how he will manage. In order to
32 curtail risk to the portfolio, not all of the money is invested all the time. He determines
33 when to buy and sell to reduce risk. He does notify the account manager when he is
34 going to make a change. Capital preservation is the primary concern. He can provide a
35 report at the end of the day if desired. There is internet access. Rick pointed out that
36 the report shows that Victor beat the S&P most of 2011. Marty feels the target goal is
37 more important to the Committee than the S&P. It was set as a benchmark.
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39 c. Fees—Victor confirmed that all fees are contained in the 1.9% which is the fee on the
40 first \$200,000 in the account. The fee on the next \$300,000 is 1.75%, and on the next
41 \$500,000 and over the fee is 1.25%. This results in a blended fee. Paul asked when the
42 fees will be taken if the investment starts February 1st. Victor replied in 3 months, then
43 quarterly.
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1 d. Funding—Rick confirmed that current funding is made from the Township Operating
2 Expenses. Any excess at the end of the year should be turned over for investment.
3 There is currently no liability against the funds, but withdrawals may begin sooner than
4 anticipated.

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6 e. Contract—Rick confirmed that the Township Solicitor reviewed the base contract and
7 is okay with it. It was agreed that Victor will put an addendum on the base contract that
8 shows the fee structure and the performance measurement clause. The Township
9 Solicitor will take a final look at the contract with the addendum.

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11 f. 2012 Market—Marty commented that in most of the projections he saw for this
12 decade the average return is anticipated at 6%. Victor mentioned that most anticipate
13 an average return of 7% for 2012. The “January Effect” has a high correlation to what will
14 happen for the year. Europe is still uncertain. The general belief is that the U.S. will
15 outperform everywhere else.

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17 g. Giulio moved to recommend that the Board of Supervisors appoint Victor Cozzone as
18 Fund Manager, appoint the Pension Committee as Trustee, authorize transfer of the
19 funds for the Defined Benefit Plan to the Fund Manager upon execution of the contract
20 for 2012, and authorize transfer of funds each year after the first Board of Supervisors
21 meeting. Marty seconded the motion. The motion passed unanimously.

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23 h. After discussion of the current plans, Giulio moved to recommend that the Board of
24 Supervisors appoint the Pension Committee as Trustee of the current Defined Benefit
25 Plan managed by Key Financial and INR. Marty seconded the motion. The motion
26 passed unanimously.

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28 There being no further business to discuss, Mark made a motion to adjourn the meeting. Giulio
29 seconded the motion. The motion passed unanimously. The meeting was adjourned at
30 2:15 pm. The next meeting will be held on Wednesday, February 1, 2012 at 1:00 pm.

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32 Respectfully submitted,

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35 Ruth Kiefer, Recording Secretary
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