

**EAST GOSHEN TOWNSHIP
PENSION COMMITTEE MEETING
February 1, 2012**

The East Goshen Township Pension Committee met at the East Goshen Township Building on Wednesday February 1, 2012 at 1:00 pm. Committee members present were: Deborah Beury, Giulio Perillo, Marty Shane, Paul Coleman and Mark Miller. Others present were: Rick Smith, Township Manager, and Victor Cozzone, Financial Advisor with Raymond James.

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

The Chairman noted that the minutes of the January 4, 2012 meeting were approved as corrected.

3. Recording of Meeting

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

4. Old Business

5. New Business

A. Giulio reported that he received a letter from Rick Smith stating that the Board of Supervisors appointed the Pension Committee as trustee of the Defined Benefit Plan. Giulio made a motion to make Giulio and Mark trustees of the old Defined Benefit Plan. Marty seconded the motion. The motion passed unanimously.

B. Post Employee Benefit Trust – Rick explained that this is a fund where money is set aside by the township to pay employee costs for medical insurance. The township is not self-insured. Blue Cross is the medical insurance provider. When this was discussed at a recent Board of Supervisors meeting, a resident, Joe Buonanno who works for a large financial firm, suggested that the township purchase stop-loss insurance instead of investing the funds. The Pension Committee was asked to consider Mr. Buonanno's recommendation.

Victor Cozzone explained that stop-loss insurance might be needed if the township was self insured and it would be separate from the trust. But, since the township is not self-insured, this isn't needed. He pointed out that under the new healthcare law, in 2014, the maximum lifetime limit under medical insurance policies is being eliminated, so there will be no more lifetime limits. After further discussion, it was decided that a letter would be sent to the Board of Supervisors stating that, after considering all options, the committee feels that Mr. Buonanno was mistaken about the purpose of this

trust, and recommend that the Pension Committee be appointed as trustee of the Post Employee Benefit Trust.

C. Victor's contract was reviewed by the Township Solicitor. The attachments and his biography/resume are still outstanding and need to be received as soon as possible.

D. The Committee reviewed the Financial Statements as of December 31, 2011 provided by Thomas J. Anderson & Associates for the Non- Uniformed Pension Plan (old plan) and the Non-Uniformed Defined Contribution Plan (new plan as of 1/1/12). They also reviewed a Historical Investment Performance provided by Deb for the old Non-Uniform plan with Key Financial, the Firefighters plan with Key Financial and the new Non-Uniform plan with INR. Marty pointed out that there is a large difference in returns between Key Financial and INR. He would like a comparison from 1999 to the present of the S&P and the current funds in the plan. Giulio would like to have Key Financial and INR come to the May meeting to review the investment returns for the 1st quarter of 2012 for both plans. Also, the committee would like detailed portfolios for both plans. Rick administers the Firefighters plan.

There being no further business to discuss, Marty made a motion to adjourn the meeting. Mark seconded the motion. The motion passed unanimously. The meeting was adjourned at 2:15 pm. The next meeting will be held on Wednesday, March 7, 2012 at 1:00 pm.

Respectfully submitted,

Ruth Kiefer, Recording Secretary