

PENSION COMMITTEE

AGENDA

May 7, 2014

9:30 AM

- 1) Call to Order/Pledge of Allegiance/Moment of Silence
- 2) Chairman will ask if anyone is recording the meeting
- 3) Approval of minutes – February 12, 2014
- 4) Old Business
- 5) New Business
 - a. Review 2014 Q1 Returns
 - i. Patti Brennan-Key Financial Q1 2014 Performance
 - ii. Mike Glackin-INR Q1 2014 Performance
 - b. Consider investment advisor for WEGO Police Pension Trust
 - c. Consider appointment of Jon Altshul as Trustee of Non-Uniformed Defined Benefit and Firefighters Pension Plan with Key Financial/RTD
- 6) Any Other Matter
- 7) Correspondence
- 8) Public Comment
- 9) Adjournment

Draft
EAST GOSHEN TOWNSHIP
PENSION COMMITTEE MEETING
February 12, 2014

The East Goshen Township Pension Committee met at the East Goshen Township Building on Wednesday February 12, 2014 at 2:00 pm. (Meeting originally scheduled for Feb. 5 was cancelled due to a power outage which was a result of a snow and ice storm.) Committee members present were: Giulio Perillo, Jon Altshul, Tim O'Reilly (by phone), and Janet Emanuel. Others present were: Rick Smith, Township Manager; Patricia Brennan, Key Financial; and Michael Glackin, InR.

COMMON ACRONYMS:

<i>IPS (Investment Policy Statement)</i>	<i>DCPP (Defined Contribution Pension Plan)</i>
<i>OPEB (Other Post-Employment Benefits)</i>	<i>DBPP (Defined Benefit Pension Plan)</i>
<i>BOS (Board of Supervisors)</i>	<i>DEBP-NU (Defined Benefit Plan–Non-Uniform)</i>

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 and the PECO workers.

2. Recording of Meeting

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

3. Minutes

Giulio noted that the minutes of the November 6, 2013 meeting were approved.

4. New Business

a. Giulio nominated Tim O'Reilly for Chairman. Janet seconded the nomination. Tim accepted the nomination. A vote was unanimous.

b. It was decided to table the discussion on the selection of a manager for the new Police Pension Trust until the May meeting. Proposals were received from Key Financial and InR.

c. Patricia Brennan, Key Financial, reviewed the returns for the following accounts:

1. OPEB (Other Post-Employment Benefit) Trust (Police) – IRR for 2013 was 7.30%
2. DEBP-NU (Non-Uniformed) - IRR for 2013 was 16.23%, 3 year average was 8.27%
3. DBPP (Firefighters) - IRR for 2013 was 15.28%, 3 year average was 8.68%

Patti spoke about the 2013 market in which the US market did well. She provided a binder of portfolios. She feels the international market is getting better. She will keep the plans diversified with equities and bond funds. She spoke about bonds and how inflation impacts the return. She spoke about real estate. Giulio agreed with her on real estate and mentioned how some stores (Best Buys) are taking orders online but the customer can pick up the order at a store. They are trying to compete with Amazon. Traffic in malls is down 40%.

1 Patti complimented the Pension Committee and Township on how well run everything is. She is
2 pleased with the current portfolio.

3 Jon mentioned that there is a new rate the state wants used to justify the target return. Patti
4 commented that she does an F360, fiduciary report for pensions, that tracks the funds. This is
5 considered the Gold Standard for pensions. Giulio thanked her for coming to the meeting and
6 for the good job she is doing.

7
8 d. Mike Glackin, InR, reviewed the performance for 2013 as follows:

9 1. Defined Contribution – IRR for 2013 15.48%

10 2. Defined Benefit - IRR for 2013 15.89%

11 Some of the difference in the 2 plans is due to the allocation, DC plan 60/40 and DB plan is
12 70/30.

13 Mike mentioned that he already met with an actuary to work on a report for the new state
14 rate.

15 Mike considers bond funds as risk management, bonds go up when stocks go down. He
16 changed the bond funds. He expects international funds to do better over the next 30 years.
17 He feels the allocation for each fund is doing well. The Committee members agreed to keep the
18 current 60/40 and 70/30 allocation. Giulio thanked Mike for coming to the meeting and for the
19 good job he is doing.

20
21 e. Rick mentioned that currently there are two different Investment Policy Statements. He
22 suggested developing one and using it for both Key Financial and InR.

23
24 5. Adjournment

25 There being no further business to discuss, Giulio made a motion to adjourn the meeting. Janet
26 seconded the motion. The motion passed unanimously. The meeting was adjourned at 3:40
27 pm. The next meeting will be held in May 2014, date to be determined.

28
29 Respectfully submitted,

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33 Ruth Kiefer, Recording Secretary