

**EAST GOSHEN TOWNSHIP
PENSION COMMITTEE MEETING
February 3, 2015**

The East Goshen Township Pension Committee met at the East Goshen Township Building on Tuesday, February 3, 2015 at 9:30 am. Committee members present were: Tim O'Reilly (by conference call), Jon Altshul, Janet Emanuel and Mark Gordon. Others present were: Rick Smith, Township Manager.

COMMON ACRONYMS:

IPS (Investment Policy Statement)

DCPP (Defined Contribution Pension Plan)

OPEB (Other Post-Employment Benefits)

DBPP (Defined Benefit Pension Plan)

BOS (Board of Supervisors)

DEBP-NU (Defined Benefit Plan–Non-Uniform)

WEGOPPT (WEGO Police Pension Trust)

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

Jon (filling in for Tim) 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. Recording of Meeting

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

3. Minutes

Jon noted that the minutes of the November 5, 2014 meeting were approved.

4. New Business

a. Jon prepared the Quarterly Report showing the net returns for the Township pensions in 2013 and 2014. He mentioned that for 2014, InRs net return was several percentage points higher than Key Financial. He suggested that funds be redistributed between InR and Key. He reported that both managers reviewed the proposed Investment Policy Statement. Mark commented that he can appreciate the reaction to the market changes. Rick pointed out that the average quarterly returns for both managers are similar if the two new trust accounts are removed from the calculation.

b. At 10:00 am Patricia C. Brennan, CFP, CFS from Key Financial, Inc. gave an overview of 2014 and projections for the future. She reviewed the YTD returns as of 12/31/14 of the indexes; Dow Jones 7.52%; S&P500 11.39%; NASDAQ 14.75%; Russell 2000 4.89%; MSCI EAFE -7.35%; NYSE Composite 4.22% and Barclays U.S. corp Bond 2.36%. The average return for the Pension & Retirement plans managed by her was 4.2%. She pointed out that so far in January 2015 the market is down 3.1% and the accounts with Key Financial are only down .5%. Commodities were discussed. Patti uses index funds that contain some commodities. Instead of buying bonds because of the retirement potential, she would move some funds out of U.S. Large Cap into International.

She feels the proposed Investment Policy Statement is one of the best she has seen. She agrees with allowing the use of mutual funds that may own some of the restricted investments. She agrees with the restricted investments. The 10% in the last paragraph is fine. She will call in very volatile times.

c. At 11:00 am Michael B. Glackin, CFP, AIF InR Advisory Services reviewed the year end values and returns. More people are moving large pension plans to index funds. He turned to page 9 in each report for the 3 plans which shows the year-to-date value and return. He and his consultant think the proposed Investment Policy Statement is very good. He agrees with the 10% in the last paragraph of the IPS. Mike feels that valuation and wage growth are two important indicators.

d. Investment Policy Statement - After discussion, Jon will make the suggested revisions so the IPS can be considered at the next meeting in May.

e. After Tim had to get off the call, the distribution of funds was discussed and the Committee members who were present voted in favor of the following motion: Pending confirmation from Giulio and Tim, allocate enough funds from the Key Non-uniformed Defined Benefit plan to the InR Non-uniformed Defined Benefit Plan, so that, in the aggregate, InR is managing half of the Township's pension and other trust assets.

5. Next Meeting

The next meeting will be held on Wednesday, May 6, 2015 at 10:30 am.

7. Adjournment

There being no further business to discuss, Janet made a motion to adjourn the meeting. Mark seconded the motion. The motion passed unanimously. The meeting was adjourned at 12:00 pm.

Respectfully submitted,

Ruth Kiefer, Recording Secretary