

**EAST GOSHEN TOWNSHIP
PENSION COMMITTEE MEETING
October 14, 2015**

The East Goshen Township Pension Committee met at the East Goshen Township Building on Wednesday, October 14, 2015 at 10:30 am. Committee members present were: Tim O'Reilly , Jon Altshul, Rick Smith, Janet Emanuel and Mark Gordon. Giulio Perillo joined by phone. Others: Michael Glackin, InR advisor, and Patricia C. Brennan, CFP, CFS, Key Financial Advisor.

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> |
| <i>WEGOPPT (WEGO Police Pension Trust)</i> | |

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

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. Minutes

Tim noted that the minutes of May 5, 2015 were approved.

3. New Business

a. Jon explained where the State funds are put initially and then transferred when the total wages is known. The State pension aid received and deposited into pension funds are as follows:

- \$92,537 into Non-uniformed DC plan (compared with 2015 MMO of \$83,037)
- \$63,462 into Firefighters DB plan (compared with 2015 MMO of \$55,591)

This is based on estimates and will be corrected if needed at the end of the year.

b. Michael Glackin, InR advisor, reviewed 2015 Q2 & Q3 performance. He referred to page 9 for each plan. The assumed interest rate is 8%. The Gatsby 67 says at least 70/30 should be used to get 8%. Results for 7/1 to 9/30/15 were:

- | | | |
|------------------------|-------|----------------|
| • Police Trust | -5.64 | \$489,711.78 |
| • Defined Contribution | -4.62 | \$411,382.45 |
| • Defined Benefit | -5.46 | \$1,700,028.83 |

They look at wage growth to project interest rates. They still expect 8% in stock market growth in the next 12 months using 70/30 mix. Jon reported that Terry Darlington, Public Works Dept, retired August 1, 2015 and withdrew a cash lump sum. He referred everyone to the report from Governor Wolf's Task Force on Municipal pensions. Mark feels that East Goshen is doing exactly what the State recommends.

Jon thanked Michael for coming to the meeting.

c. Patricia C. Brennan, CFP, CFS, Key Financial Advisor. She spoke about the S&P 500 Index inflection points and valuation measures. Corporate profits are expected to come back by year end. Bonds are a good investment now. The spread between Municipal and Corporate bonds is closing so municipal bonds are good now. Europe is slowly recovering. The performance reports show the following as of 9/30/15:

She provided charts that showed annual returns and intra-year declines for the S&P 500 from 1980 to 2015 and U.S. market downturns, recoveries, and expansions from 1926 to 2012.

Jon thanked her for coming to the meeting.

4. The next meeting will be held on Tuesday, February 9, 2016 at 10:30 am.

5. Adjournment

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

Respectfully submitted,

Ruth Kiefer, Recording Secretary