

Approved
EAST GOSHEN TOWNSHIP
PENSION COMMITTEE MEETING
February 7, 2017, 10am

Present: Giulio Perillo, Jon Altshul, Janet Emanuel, Mark Gordon and Township Manager Rick Smith. Tim O'Reilly participated by phone for the first part of the meeting.

Giulio called the meeting to order at 10am, led those present in the Pledge of Allegiance, and asked for a moment of silence to remember our troops.

Mike Glakin, INR Advisors, presented the 2016 results. Janet observed that the funds that INR managed for the entire year outperformed their benchmarks. Mike noted that East Goshen benefitted from INR's portfolio rebalancing in January, as well as overweighted corporate bonds among fixed asset investments. Mike stated that value stocks outperformed growth stocks for the year and that small cap stocks were the winning asset class for the year.

However, Mike explained that expectations for 2017 are down from a year ago. He is projecting that a 70/30 stock/bond asset allocation will generate 6.65% in 2017 and a 60/40 allocation 6.21%, both of which are down from over 8% a year ago. The group discussed current events, both domestic and internationally and their likely impact on the markets.

Mike also observed that Beyer Barber, the Township's actuary, had decreased the Township's Defined Benefit target return from 8% to 7%. The group agreed that this was appropriate. Janet made a motion to direct Jon to revise the Township's Investment Policy Statement to reflect that the target return was 7%. Giulio seconded. The motion passed 4-0.

Mike then talked about meeting with Township employees in April after their 2016 statements are prepared to review with them what their pension balances may mean for future income and retirement planning. The group looked forward to this meeting and Giulio indicated that he would attend to better understand the employee perspective.

Rick suggested that the Pension Committee send a one page update of its 2016 activities and the plan performance to the Board. Jon agreed to write something up.

Jon explained that he had no notes for the meeting minutes from October 24 and therefore there were no minutes to approve. The group discussed what was discussed at that meeting—review of Q2 and Q3 performance and discussion about the upcoming elections impact on the markets—and to let the record reflect that there were no minutes from that meeting to approve.

The group agreed to have its next two meetings on April 18th, immediately after the employee meeting, and then again on October 24, 2017, both at 10am, pending Tim confirming his availability.

There being no further business, Janet made a motion to adjourn at 11:25. Giulio seconded. The motion passed unanimously.

Respectfully submitted,

Jon Altshul, Finance Director