

East Goshen Township Pension Committee

October 24, 2017, 10am

East Goshen Township Building

AGENDA

- 1) Call to Order
- 2) Pledge of Allegiance/Moment of Silence
- 3) Approval of minutes of February 7, 2107 and April 21, 2017
- 4) Review Q2 and Q3 performance
- 5) Update on 2018 plans for Police Pension Trust & Police OPEB Trust
 - Township to allocate and \$182,082 from the trust to the WEGO pension plan in 2018. This amount represents 30% of East Goshen's share of the WEGO MMO (therefore the total pension contribution for the police will be 130% of MMO).
 - Township to transfer the balance of its Police OPEB trust into the WEGO OPEB Trust by June 30, 2018 (Westtown will provide a proportionate match). All future OPEB contributions will be paid directly to the WEGO OPEB trust directly.
- 6) Update on conversion to INR 457 plans
- 7) Any Other Matter
- 8) Adjournment

NET RETURNS-EAST GOSHEN TWP PENSIONS THRU 9-30-17

Allocation (Stocks/ Bonds)****		2012	2013	2014	2015	2016	2017 Q1	2017 Q2	2017 Q3	2017 YTD	Average quarterly return ('10 Q1- Present)	3/31/2017 Balance
INR Defined Benefit	70/30	12.26%	15.89%	7.09%	-0.87%	7.92%	4.71%	3.00%	3.48%	11.61%	2.30%	\$2,974,329
INR Defined Contribution	60/40	10.76%	15.48%	7.25%	-0.73%	6.76%	4.22%	2.82%	3.13%	10.55%	2.30%	\$673,598
INR Police Pension Trust**	70/30			3.04%	-0.83%	8.13%	4.73%	3.26%	3.51%	11.64%	1.17%	\$1,293,187
INR Firefighters DB*	70/30					5.26%	4.59%	2.78%	3.48%	11.23%	2.44%	\$1,383,369
INR OPEB*	70/30					4.81%	4.62%	2.94%	3.49%	11.34%	2.35%	\$1,476,477
	Primary indexes										TOTAL	\$7,800,959
S&P 500		15.98%	31.69%	13.69%	-0.70%	9.54%	5.53%	2.57%	3.96%	12.53%	3.40%	
Barclay's Bond Index		3.56%	-2.02%	5.97%	0.55%	2.65%	0.82%	1.45%	0.85%	3.10%	1.00%	

* Firefighters DB and INR OPEB (and balance of NU DB) transferred to INR on 4/18/16

** INR Police Pension Trust opened on 5/28/14

*** "Bonds" include cash; "Stocks" include commodities and real estate

	2016	2017 Q3	2017 TYD
Hypothetical 70% Equity-30% Bond index	7.47%	3.03%	9.70%
Hypothetical 60% Equity-40% Bond index	6.78%	2.72%	8.76%

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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.

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

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4 Respectfully submitted,

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6 Jon Altshul, Finance Director

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EAST GOSHEN TOWNSHIP
Pension Committee Meeting
April 21, 2017

The regular meeting of the East Goshen Township Pension Committee was held on Friday, April 21, 2017 at the Township Building. The meeting was called to order by Chairman Timothy O'Reilly at 10:30 a.m. Others present were: Giulio Perillo, Vice Chairman; Janet Emanuel, Supervisor; Rick Smith, Township Manager; Jon Altshul, Township CFO; and Mark Gordon, Zoning Officer.

EMPLOYEE MEETING

At 10:30 Michael B. Glackin, CFP, AIF, of InR and Jim Kennedy of Anderson and Associates led a meeting for Township employees to explain the different retirement plans and how to plan for your retirement. At the conclusion of the employee meeting, the regular meeting was held.

PLEDGE OF ALLEGIANCE

Tim led the Pledge of Allegiance.

Tim asked for a moment of silence to remember our troops & veterans.

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

APPROVAL OF MINUTES

1. The minutes of the February meeting will be approved at the next meeting.

REVIEW OF 2017 1ST QUARTER RETURNS

The net returns through 3-31-17 were reviewed and are as follows:

<u>PLAN</u>	<u>Allocation</u>	<u>2017 Q1</u>	<u>3/31/17 Balance</u>
1. INR Defined Benefit	70/30	4.71%	\$2,802,481
2. INR Defined Contribution	60/40	4.22%	\$ 636,650
3. INR Police Pension Trust	70/30	4.73%	\$ 856,101
4. INR Firefighters DB	70/30	4.59%	\$1,307,556
5. INR OPEB	70/30	4.62%	\$1,221,090

Jon felt the 1st quarter had very good returns. Mike spoke about the current reasons for growth and expects growth to continue in 2018. He reviewed returns since 2015. Starting on page 5 of each report is the breakdown by asset type and investment objective. They rebalance at the end of each year if needed. He pointed out that the Firefighters Defined Benefit and the OPEB were transferred to InR on 4/18/16. There are some individual bonds that came in that transfer that won't be cashed until maturity.

The 457 Plan, which is an individual plan that employees can contribute to, was discussed. The advisor for the 457 Plan is currently Valick. Of 31 employees, 70% are contributing to the 457 Plan. After discussion, Mark Gordon made a motion to recommend that InR be included as a second option for advisor on the 457 Plan. Janet seconded the motion. The motion passed unanimously.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:15 pm. The next regular meeting will be Tuesday, October 24, 2017 at 10:00 am.

Respectfully submitted,

Ruth Kiefer
Recording Secretary