

**AGENDA**  
**EAST GOSHEN TOWNSHIP PENSION COMMITTEE**  
**OCTOBER 14, 2019 at 10:30am**  
**EAST GOSHEN TOWNSHIP BUILDING**

1. Call to order/Pledge of Allegiance/Moment of Silence
2. Ask if anyone is recording the meeting
3. Approval of minutes of January 17, 2019
4. Acknowledge that there were no minutes from the scheduled May 17, 2019 meeting as there was no quorum and no actions taken
5. Review 2019 State Aid Contribution and Consider Proposal to Fund Non-Uniformed Defined Contribution Plan at 5.5%
6. Review of Q2 & Q3, 2019 results and discussion with Mike Glackin
7. Any Other Matter
8. Adjournment

**DRAFT MINUTES  
EAST GOSHEN TOWNSHIP  
PENSION COMMITTEE MEETING  
East Goshen Township Building  
January 17, 2019, 10:30am**

Present: Bill Smith, Chair, Jon Altshul, Janet Emanuel and Tim O'Reilly (via phone). Non-members Senior Staff Accountant Lynn LeBlanc, Township Manager Rick Smith, Mike Glackin (CBiz/INR) and Jim Kennedy (Anderson & Associates) were also present.

Bill called the meeting to order at 10:30am, led the Pledge of Allegiance and called for a moment of silence in honor of Vanguard founder Jack Bogle, who passed away on January 16th.

Janet made a motion to approve the minutes of October 16, 2018. Tim seconded. The motion passed 4-0.

Mike provided an overview of Q4 results, which were negative on account of the December stock market correction. He noted that international equities were the losing asset class; that large cap growth was the winning equity class, declining only 2%; and that international bonds was the winning asset class overall.

Mike observed that his analysis suggests that on average a 70/30 allocation model will return 6.66% in 2019, with a range of 28% to -10% and that the 60/40 model will return 6.22%, also with a large confidence interval. Jim and Mike affirmed that these figures will be sufficient to support our assumed returns of 7% for GASB purposes in our financial statements. Mike also noted that based on recent analysis by Jim's office on the demographics of the Defined Contribution plan, he recommends staying at the 60/40 allocation for the DC plan.

Jim indicated that he would have 2018 statements prepared for employees by late February and Mike suggested that representatives from his office meet with employees in March.

Mike and Jim also suggested that the Township consider contributing the MMO into the pension plans throughout the year, instead of at the end of the year when state aid is received to maximum the potential growth, a practice that is permitted by the state. Jon indicated that doing so wouldn't be an issue from his standpoint. Janet made a motion to deposit the MMO into the pension plans on a monthly basis moving forward. Tim seconded. The motion passed 4-0.

Jon provided an update on some of the actuarial reports that the Fire Company and its union had requested as part of their ongoing labor negotiations. Janet provided an update on the upcoming arbitration between the Police Commission and the union.

The Pension Committee agreed to hold its next meeting on Friday, May 17<sup>th</sup> at 10:30.

There being no further business, Janet made a motion to adjourn the meeting at 11:30. Jon seconded. The motion passed 4-0.

Respectfully Submitted,  
Jon Altshul, Assistant Township Manager

# Memo

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To: Pension Committee  
From: Jon Altshul  
Re: Consider amendment to Non-uniformed DC Plan  
Date: October 9, 2019

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We received \$235,273 in pension aid from the state this year, compared to \$184,905 last year. The majority of this increase was due to the certification of four additional paid firefighters of the Goshen Fire Company, although there was a substantial underlying increase in unit values as well.

Officially, the Township's Minimum Municipal Obligations were \$92,980 for the Fire Plan and \$97,849 for the non-uniformed Defined Contribution Plan (including both Township and WEGO PD non-uniformed staff).

As you may remember, the Township received sufficient State Aid in 2016, 2017 and 2018 to contribute 5.5% to the Defined Contribution Plan in those years. Therefore, this funding level would be consistent with this past practice. The only difference between this year's proposed resolution and the resolution from past years is that the contribution rate for subsequent years would not automatically fall to 5.0%.

Because we are not allowed to overfund the defined contribution plan, we allocate any additional pension aid over and above the MMOs to the firefighter's plan. If we fund the non-uniformed Defined Contribution plan at 5.5% as we have for the past few years, this would leave \$115,851 for the fire plan. This extra funding for the Fire Plan will help defray additional liabilities caused by the recent increase in benefits in that plan.

In other words, the total projected contribution for the Non-Uniformed Defined Contribution plan would be \$119,422, which reflects projected year-end wages and estimated administrative expenses to manage the plan.

If this recommendation is acceptable to Pension Committee, it can consider the following suggested motion below.

Suggested motion: I move that we recommend that the Board of Supervisors fund the East Goshen Township Non-Uniformed Defined Contribution Pension Plan at 5.5% in 2019 and beyond.

**NET RETURNS-EAST GOSHEN TWP PENSIONS THRU 9-30-19**

	Allocation (Stocks/ Bonds)***	2016	2017	2018 Q2	2018 Q3	2018 Q4	2018	2019 Q1	2019 Q2	2019 Q3	2019 YTD	Average quarterly return ('10 Q1- Present)	9/30/2019 Balance
INR Defined Benefit	70/30	7.92%	16.16%	0.73%	2.55%	-8.91%	-6.12%	9.21%	3.27%	0.81%	13.74%	2.16%	\$2,882,122
INR Defined Contribution	60/40	6.76%	14.47%	0.67%	1.92%	-7.40%	-5.99%	8.28%	3.18%	1.03%	12.67%	2.10%	\$958,842
INR Police Pension Trust**	70/30	8.13%	16.22%	0.67%	2.64%	-9.28%	-6.41%	9.46%	3.26%	0.79%	13.93%	1.44%	\$1,230,671
INR Firefighters DB*	70/30	5.26%	15.67%	0.74%	2.86%	-8.94%	-6.68%	9.33%	3.25%	0.81%	13.69%	1.96%	\$1,745,717
INR OPEB*	70/30	4.81%	15.79%	na	na							2.39%	\$0
	<b>Primary indexes</b>											<b>TOTAL</b>	<b>\$6,817,352</b>
S&P 500		9.54%	19.42%	2.93%	7.20%	-13.97%	-4.40%	13.07%	3.79%	1.19%	18.75%	3.23%	
Barclay's Bond Index		2.65%	3.55%	-0.22%	-1.73%	1.69%	0.15%	2.94%	3.07%	2.27%	8.52%	0.89%	

\* Firefighters DB and INR OPEB (and balance of NU DB) transferred to INR on 4/18/16; OPEB Trust closed & transferred to Police Commission on July 2018

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

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

	2018	2019 Q1	2019 Q2	2019 Q3	2019 TYD
Hypothetical 70% Equity-30% Bond index	-3.04%	10.03%	3.57%	1.51%	15.68%
Hypothetical 60% Equity-40% Bond index	-2.58%	9.02%	3.50%	1.62%	14.66%