

AGENDA
EAST GOSHEN TOWNSHIP PENSION COMMITTEE
Tuesday, January 28, 2019 at 10:00am
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 October 14, 2019
4. Staff update on Pension activities
5. Review of Q4 2019 results and discussion with Mike Glackin
6. Any Other Matter
7. Adjournment

**DRAFT MINUTES
EAST GOSHEN TOWNSHIP
PENSION COMMITTEE MEETING
East Goshen Township Building
October 14, 2019, 10:30am**

Present: Bill Smith, Chair, Jon Altshul, Mark Gordon, Janet Emanuel and Tim O'Reilly. Non-members Township Manager Rick Smith and Mike Glackin (CBiz/INR) were also present.

Bill called the meeting to order at 10:30am, led the Pledge of Allegiance and called for a moment of silence.

Tim made a motion to approve the minutes of January 17, 2019. Janet seconded. The motion passed 4-0, with Mark Gordon abstaining as he was not present at that meeting.

Bill acknowledged that there were no minutes from the scheduled May 17, 2019 meeting as there was no quorum and no actions taken.

Jon provided an overview of 2019 State Aid, which increased about \$50,000 over last year on account of four new certified firefighters and an overall increase in unit values. He explained that he was recommending that the contribution for the Non-Uniformed Defined Contribution plan be 5.5% for the fourth consecutive year and, further, that that funding level be held at 5.5% for subsequent years. Jon also explained how the recent increase in the pension benefits negotiated between the Firefighters Union and the Goshen Fire Company impacted the Firefighters MMO. Tim made a motion to recommend that the Board of Supervisors fund the East Goshen Township Non-Uniformed Defined Contribution Pension Plan at 5.5% of wages in 2019 and beyond. Bill seconded. The motion passed 5-0.

Mike provided an overview of the Q3 results, which were modestly positive. He noted that for the quarter bonds outperformed equities. He also observed that for the year large cap growth is the winning equity class. He also observed that P/E ratios are generally lower now than they were a year ago and that he does not anticipate a recession in the short term.

Mike did not recommend any changes to the asset allocations at this time. Bill noted that forecasts for long term growth are such that the difference between a 60/40 allocation and a 70/30 allocation are immaterial. Mike noted that East Goshen is fortunate not to have any plans with assumed interest rate returns of 8%, which are common elsewhere in Pennsylvania, as this rate of growth is unlikely over the next decade.

Jane announced this would be her final meeting on the Committee and thanked the group for its work. Jon announced that a firefighter retired over the summer and a non-uniformed employee was expected to retire next month.

The Pension Committee agreed to hold its next meeting on Tuesday, January 28, 2020 at 10am.

There being no further business, Bill made a motion to adjourn the meeting at 11:15. Janet seconded. The motion passed 5-0.

Respectfully Submitted,
Jon Altshul, Assistant Township Manager

NET RETURNS-EAST GOSHEN TWP PENSIONS THRU 12-31-19

	Allocation (Stocks/ Bonds)***	2016	2017	2018 Q2	2018 Q3	2018 Q4	2018	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2019 Total	Average quarterly return ('10 Q1- Present)	12/31/2019 Balance
INR Defined Benefit	70/30	7.92%	16.16%	0.73%	2.55%	-8.91%	-6.12%	9.21%	3.27%	0.81%	5.97%	20.52%	2.25%	\$3,047,117
INR Defined Contribution	60/40	6.76%	14.47%	0.67%	1.92%	-7.40%	-5.99%	8.28%	3.18%	1.03%	5.10%	18.47%	2.19%	\$1,023,422
INR Police Pension Trust**	70/30	8.13%	16.22%	0.67%	2.64%	-9.28%	-6.41%	9.46%	3.26%	0.79%	5.92%	20.62%	1.63%	\$1,149,035
INR Firefighters DB*	70/30	5.26%	15.67%	0.74%	2.86%	-8.94%	-6.68%	9.33%	3.25%	0.81%	6.02%	20.59%	2.23%	\$1,899,269
INR OPEB*	70/30	4.81%	15.79%	na	na								2.39%	\$0
	Primary indexes												TOTAL	\$7,118,843
S&P 500		9.54%	19.42%	2.93%	7.20%	-13.97%	-4.40%	13.07%	3.79%	1.19%	8.53%	28.88%	3.23%	
Barclay's Bond Index		2.65%	3.55%	-0.22%	-1.73%	1.69%	0.15%	2.94%	3.07%	2.27%	0.19%	8.64%	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 Q4	2019 Total
Hypothetical 70% Equity-30% Bond index	-3.04%	10.03%	3.57%	1.51%	6.03%	22.81%
Hypothetical 60% Equity-40% Bond index	-2.58%	9.02%	3.50%	1.62%	5.19%	20.78%