

**EAST GOSHEN TOWNSHIP
PENSION COMMITTEE MEETING
East Goshen Township Building
January 24, 2023, 10am**

Present: Chairman Bill Smith, Supervisor David Shuey, Dave Ware, Mark Miller, and Tim O'Reilly (via Zoom meeting). Non-members Mike Glackin (CBIZ/InR) and Mike Tierney (CBIZ/InR) were also present.

Bill called the meeting to order at 10:02am and led the Pledge of Allegiance. Bill then asked if anyone was recording the meeting.

David made a motion to approve the October 2022 minutes and Dave seconded. The motion passed 5-0.

Dave Ware provided a liaison report. Four new employees were recently hired and the importance of good benefits including the employer-paid healthcare and current 5.5% employer contributed NU DC pension plan assisted in getting some of those employees on-board in a competitive hiring environment. Bill inquired whether the NU DC was optional, to which Dave responded 'no,' but an HAS and 457B are both voluntary possibilities for employees and a nice benefit. The update on Edmunds GovTech software implementation is that Payroll, Accounts Payable, and Finance are implemented, Utility implementation is underway, and Permits/Codes is on track to be implemented by June/July of 2023. Dave updated the commission on the positive outcome of the pension audit by the state of PA for 2018-2021 plan years. He further advised that due to current market uncertainty the 2023 Budget includes 100% of the EGT contribution to WEGO be from the General Fund, rather than include a portion from the Police Trust as is usual.

David asked about any impact to the various MMO's that the fluctuating market could bring and Mike answered that the bulk of any impact will be felt by the Police MMO. The NU DC impact and Fire plan are minimal given when the actuarial valuations are done (every 3rd year) which helps to spread out any increase over multiple years. The NU DB, since it was frozen, has not seen an MMO necessary for years. Overall, the Township's pension assumed interest rate is 6.75% and is lower than most in the state of Pennsylvania. Dave inquired about the current 60/40 allocation in the NU DC due to the staff changes and Mike recommended no change, as the low bond yields during low equity yields are not historically frequent. He indicated that his firm is looking continually at values during these times and current market conditions could offer a discount for buying. The 4th Quarter of 2022 bore out this long-term strategy well.

Mike reviewed the performance for 2022 which our investments outperformed the blended benchmarks, even net of fees. Mike reiterated the difficulty of a short term projected return versus a 10-20 year period, which provides much more confidence. Both Bill and Mike pointed out that the move to higher interest rates from the Fed should help funding in this environment.

Mike introduce Mike Tierney, who recently joined CBIZ/InR and provided his experience as a Senior Manager at Lincoln Financial as well as Merrill Lynch. He will be lending his expertise to the Defined

Contribution plan review and decisions. Mike also touched on how strong the National Investment Committee of CBIZ/InR is and how well respected its various members are, even by competitors such as Vanguard.

The Pension Committee agreed on May 9th, 2023 at 10am for the next meeting.

There being no further business, Bill adjourned the meeting at 10:50 am.

Respectfully Submitted,

Dave Ware, Director of Finance