



# Doylestown Township

## Pension Advisory Committee Meeting

~ MINUTES ~

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Monday, October 21, 2019

4:30 PM

Large Conference Room

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### IN ATTENDANCE

Attendance: Ed Denton, Ken Snyder, Sinclair Salisbury, Ken Wallace, Bill Mokriski, Robert Salanik Colleen Mullin, Nancy Wasch.

Absent: Stephanie J. Mason, Joe Delikat

### MINUTES APPROVAL – September 9, 2019

The minutes were approved.

### OLD BUSINESS :

Discount rate should be defined along with the statement of liabilities and should the rate of return serve as the discount rate. Simpler rate explanation to be used, a onetime disclosure, there is no requirement for language to be used at this time for the expected rate of return in association with the discount rate.

### NEW BUSINESS:

The Committee discussed the pension plan contribution recommendations “Kicking the Can Down the Road” dated October 21, 2019. ***“Over the past ~20 years the Township has UNDER FUNDED its Pension Obligations by ~\$10 million\* (approx. \$500k per year). Unlike other expenses the Township incurs (employee salaries & medical benefits, utility bills, lawn mowing services, etc.), ‘loop holes’ in Public Pension Law permits government pension plans to partially pay /delay payment of these bills. Based on the MMO estimated provided by Jim Kennedy on 6/10/19, assuming a more realistic Discount Rate of 6%, the Township’s annual MMO payment should be ~ \$1 million higher”***

After the presentation the Committee discussed on how to find a better way to communicate to the Board of Supervisors about issues such as the unfunded liability, reducing the discount rate and making additional “mortgage payments to the defined benefit pension plans. Further discussion ensued about the discount rate and should the committee go back to the Board of Supervisors making a recommendation for a dedicated tax millage increase for 2020. Further discussion among the committee members concerning on how to better communicate to the employees about the pension problem.

Discussion ensued about the next budget workshop (October 29, 2019) and the idea of using favorable fund balances to fund the Minimum Municipal Obligation in 2020 based off the April review of the prior year. The Committee’s discussion led back on how to educate the Board of Supervisors better, ideas were discussed concerning a ten minute presentation. One of the ideas discussed was a collaboration between municipalities should be one of the goals of the Committee. Another idea would be a submission by the Committee for an article in the newsletter about the pension challenges. There was further discussion about finding out how other municipalities handle their pension challenges.

The Committee wrapped up the meeting by talking about the 2020 agenda and how often should they meet.

The Committee adjourned at 6:30 PM