



Doylestown Township

Pension Advisory Committee Meeting

~ MINUTES ~

425 Wells Road
Doylestown, PA 18901
<http://doylestownpa.org/>
Twitter: @DoylestownTwp
www.facebook.com/doylestowntwp
215-348-9915

Monday, March 11, 2019

4:00 PM

Large Conference Room

IN ATTENDANCE

Chairman Sinclair Salisbury, Vice Chairman Ed Denton, Uniformed Rep Tim Reihl, Nancy Wasch, Board Liaison Ken Snyder and non-voting members: Ken Wallace and Stephanie Mason

Absent: Joe Delikat, Greg Schuster and Colleen Mullin

WELCOME

Mr. Salisbury opened the meeting and welcomed everyone in attendance.

MINUTES APPROVAL – February 11, 2019

ON MOTION of Ms. Wasch, seconded by Mr. Denton the minutes of September 17, 2018 were unanimously approved with the following changes:

2nd paragraph, 2nd sentence after “list” add “the subcommittee’s final report”

OLD BUSINESS

Review of Board of Supervisors presentation March 5th, 2019

Mr. Salisbury thanked Mr. Denton for making the presentation. Indicating that it was very informative. Mr. Salibury indicated that he thought it was a good meeting and an educational piece to go forward.

Mr. Denton indicated that it was kind of obvious that when things are presented in small amounts to the public it is easier to make them abundantly clear.

Ms. Wasch indicated that it was a good presentation, good information and obviously the pension is a lot of money to the Township.

In response to Ms. Lyons’ comment about the compensation for Ms. Brede, it was recommended that it needs to be an education and understanding with the concept. In addition to the email received from Mr. Colello regarding how costs are calculated in the field needs to be responded.

It was brought up that Ms. Brede’s current costs were reduced 20 years ago from what the previous consultants were charging. The consensus was that the meeting was a good step forward.

The first suggestion, of course, to standardizing the reports with benchmarks in additions to the index funds ie VanGuard and looking at what options are available. But, having standardized reports would be helpful. Suggestion for a teleconference with Ms. Brede and explaining what and how that report should be necessary. Also, recognizing the different audiences and how the information is shared needs to be done. The Committee, the Board , the employees. Education is tied to everything.

Mr. Denton indicated that he believes going forward prioritizing the Ways and Means / Pension subcommittee recommendations can be summed up in about 5 categories.

1. Having three meetings per year with Ms. Brede. Two meetings with the Committee with reports, monthly performance, etc. Then one meeting with the Board of Supervisors annually.

Ms. Wasch indicated that funds are invested on a long term basis and we're trying to look at it on a short term basis. As the Committee gets more familiar with the information and reports it will be easily redefined. Ms. Mason suggested that the Committee come up with a list of what it wants and share that with Ms. Brede.

Mr. Snyder indicated that three meetings in the first year was a good idea.

2. The Discount Path - Huge assumptions and targets and trying to get on a migration path are needed. The question is, what is the target and that path and how long it will take to get there? This needs to be coordinated with the Ways and Means Committee and the Township Budget process. Education is a big component.

Mr. Snyder questioned who will do the modeling. Mr. Denton indicated that we need to know what the impact is. Mr. Wallace indicated Mr. Kennedy can provide updates on question on what it costs the Township.

Mr. Snyder questioned is that the total amount underfunded? What will impact and change the slope of the line? That needs to be understood.

Ms. Wasch indicated that if the discount rate is never changed, never improved the funding levels.

3. Preview of the impact of discount rates and extra payments, changing one at a time needs to be considered.

May 22, 2019 meet with the Ways and Means Committee. Need to make it a productive meeting. Need to think what will Ways and Means look for from the Pension Committee and how the Ways and Means Committee is approaching long term plans and budgeting for pension.

4. Long Term Action Plan beyond 2019 - Actuarial considerations and actionable Items understanding contracts ie removing cost of living benefits.

Ofc. Reihl indicated that since the PBA pays Social Security under Act 205 they can't pay more than 5% to the plan and this does not allow a DC Plan for Police Officers under Act 600.

5. Direction for Board of Supervisors – Questions from the Board – How much has to be paid in? Does that happen with discount rate? What's that target and how much effect on budgeting? Those are things that are needed.

Mr. Wallace explained Act 205 Report.

Ms. Wasch indicated that she is happy to talk with some colleagues on this topic as well and explained the Act 1/1/19 Act 205 which is based on the 2017-18 returns and information.

Mr. Colello's email

Ms. Wasch indicated that Mr. Salisbury should respond indicating that they appreciate his information and that they will certainly take it into consideration.

An RFP on New Investment Services

It was suggested that this be put off for a while and wait until further education of the Committee is completed.

Again, Ms. Wasch indicated that she would speak to colleagues who do actuarial work for guidance.

Mr. Wallace will speak to Mr. Kennedy about the cost to do studies going forward.

Mr. Salisbury will email Mr. Colello.

Mr. Denton is going to follow up with Mr. Delikat on standardized reports.

Future meeting with Ms. Brede and Mr. Kennedy preferably in July. April meeting will work on getting reading for the Ways and Means meeting in May.

The Committee adjourned at 6:13 PM

Respectfully submitted by

Stephanie J. Mason
Secretary