

**Doylestown Township Pension Advisory Committee**  
**Minutes for September 14, 2020**

In attendance: Ed Denton, Chairman; Members: Robert Salanik, Joe Delikat, Colleen Mullin, Tom Burke Sinclair Salisbury and Detective Bill Mokriski.

Board of Supervisors Liaison – Jen Herring

Staff Liaisons – Ken Wallace, Finance Director and Stephanie J. Mason, Township Manager

Guests: Janet Casey

**WELCOME**

Mr. Denton welcomed everyone to the meeting

**Minutes Approval July 13, 2020 and August 10, 2020 -**

Tabled as Ms. Mullin indicated she had some edits that she would like to include. She will work with Ms. Mason to incorporate them for consideration at the next meeting.

Mr. Denton indicated the correct spelling of Merck and that Van Guard is two words.

**OLD BUSINESS:**

**Joint Ways & Means Committee debrief**

Mr. Denton indicated he wanted to hear from the members on what they thought of his presentation at the August meeting of the Ways and Means Committee.

Mr. Salanik indicated that Mr. Denton did a nice job on the presentation.

Ms. Mullin agreed.

Mr. Salisbury indicated that he thought Mr. Denton did a good job in simplifying the information, especially since applying thought to the concept is difficult.

Mr. Denton asked about education opportunities to present to employees. Mr. Salisbury indicated that would be a good idea.

**2021 Budget & Long Range Plan Pension recommendation**

Mr. Wallace indicated that the Township will hold a budget work shop on September 15, 2020 and that PAC's recommendation is being shown in the draft budget and forecasting at this time.

Mr. Denton clarified that he now understands the interest rate change and impact that it will have on the 2022 budget as the 2-year stepdown in the interest rate occurs.

**Brede Meeting Debrief and Report Modifications – Including Benchmarks**

Mr. Denton sent out a power point to everyone which is attached as reference. Changes that PAC may want to see from DK Brede Assoc. are included. He indicated we would not cover that fully today. Discussion on changes the PAC may want to see from DK Brede can be discussed at future meetings.

Mr. Denton indicated that he realizes that not everyone is on the same page with the benchmarks. He asked that everyone review the power point and get suggestions back to him by October 1, 2020. So, that it can get to Brede in a timely manner after changes from the PAC.

Ms. Mullin indicated that there needs to be a clear use of the blended benchmark.

Mr. Denton indicated that he's not advocating for either one.

Ms. Mullin indicated the 65/35 Barclay and ACWI were okay, but would also like for the report to continue to provide asset-weighted blended benchmark for each portfolio (Police and Non-Uniform).

Mr. Burke indicated both are important and different. Having a portfolio benchmark is complex, but not mutually exclusive given the depth of the plan investments.

**Drafting New Investment Policy**

Mr. Burke indicated that he is working on the investment policy statement and it is coming along. He is hoping that a draft for review will be ready for the October meeting. He was able to obtain a draft of the current one, so he is doing some cutting and pasting utilizing some existing format. However it will be a different document as the PAC is composing it for the Township and its beneficiaries. The Township will own the document as the asset owner and the IPS will represent our needs. The prior document was prepared by the adviser as a fiduciary which is not untypical. This document will have the ground rules and objectives for what we want done. It will be a simpler document, straight forward and addresses the things PAC has discussed.

Mr. Burke continued that he didn't know when the IPS statement was written originally but this one will have PACs input. It will be a document that can be used in the future, especially for putting out an RFP for new advisory services. In addition, it will provide a pathway to get the Pension Plans to a 6% rate of return. The old document was 15 pages and he believes this one will be half that length. He doesn't want to rush it. Of course, it will be subject to the committee's review at the next meeting.

Mr. Delikat commented that the 6% target is the PACs flight path. It should be 6% now in his opinion.

Mr. Denton commented that in drafting the IPS the PAC should also provide an education for the Board of Supervisors. He thinks that PAC needs to explain the IPS implications along the way as well. Simplicity, objectivity and discussion of the portfolio, making it readable and easy to digest and putting it into a few slides should be helpful.

He further indicated that the IPS should be easy to explain as what it is and why we have it. The role of the PAC to be stated as an advocate for the Township investments as well as the Township employees as beneficiaries and as an interface with the financial advisor.

Mr. Burke indicated it will be an IPS that we own. Again, conveying it at the October meeting.

**NEW BUSINESS:**

**Brede, Kennedy & PAC Pension Status Updates to BOS – when & how often**

Discussion on how often PAC should meet with DK Brede and Thomas J. Anderson Assoc.

Mr. Denton wanted to have a dialog with the Committee on when the Committee should meet with the advisors as well as the Board of Supervisors. Typically, in March we get a year-end performance review from DK Brede and a “what is coming ahead” from Anderson Assoc. June is when the budget kicks-off. It’s a good opportunities for PAC to communicate with the Board of Supervisors on key issues regarding the pension. September is a good mid-year performance opportunity and update for the PAC to meet with the advisors.

Mr. Delikat indicated meetings and information from DK Brede comes in two financial reports per year.

Mr. Denton suggested meeting with the Board of Supervisors.

Mr. Delikat suggested data from DK Brede also be presented. March and September for financial review as well.

Ms. Mullin and Mr. Salanik indicated they were good with the proposed schedule.

It was indicated that budget meetings are two in the spring then mid-September to mid-October.

It was discussed that the IPS will need to be a special presentation to the Board of Supervisors sometime in 2021. In addition, the Twp. Solicitor will need to review it as well.

Ms. Herring indicated getting information to the Board of Supervisors ahead of time would be beneficial.

Mr. Denton indicated that he has met with Mr. Wood and wants to go on and meet with the other Supervisors regarding the PACs recommendations for the 2021 Budget.

Mr. Burke inquired about the contract with DK Brede, which Mr. Delikat indicated goes back to 20 years and is very brief document. It was suggested that with the new RFP a new document would be required. Mr. Burke clarified that the IPS is not an agreement. Certainly PAC will need to assist in the preparation of the RFP in compliance with PA laws for a new advisor.

Mr. Denton inquired how the PAC can get on a Board of Supervisors agenda. It was indicated that Ms. Mason can coordinate those meetings and times with the PAC and the Board’ agenda.

Mr. Denton again asked everyone to take a look at the power point for the October 1<sup>st</sup> meeting. Ms. Mason indicated that the auditor general’s office was out and completed the 2017-2019 Pension audit and was very complimentary about Mr. Wallace and the Township’s finance staff regarding record

keeping of the Pension documents for the audit. In addition, he indicated he thought our plan was in good shape.

**ADOURNMENT:**

Being no further business the meeting adjourned at 5:30 p.m. on motion of Mr. Delikat and seconded by Mr. Salanik.

Respectfully submitted,

Stephanie J. Mason  
Township Manager/Secretary