

Doylestown Township
Pension Advisory Committee Meeting
Minutes

Monday, August 12, 2024

In attendance: Tom Burke, Bob Salanik, Richard Bittner, Bill Smith

Township Staff: Ken Wallace, Finance Director, Anne Marie Dobson, Assistant Finance Director, Sinclair Salisbury, Director of Code Enforcement, Bill Mokriski, Detective

Liaison: Jen Herring, Supervisor

Welcome: Mr. Salisbury welcomes everyone to the meeting. Mr. Bittner and Mr. Smith from Girard Pension Services were introduced.

Approval of Minutes June 10, 2024: On motion of Mr. Salanik, seconded by Mr. Burke, the minutes were unanimously approved.

Old Business:

Mr. Wallace provided an update on the 2025 budget indicating the MMO was received from Jim Kennedy for 2025. He informed at the 6.75 discount rate the MMO for non-uniform is \$556,000 and for uniform is \$925,015 versus the budgeted amount of \$794,000 for non-uniform and \$1,099,573 for Uniform. The total for the 2025 MMO is \$1.4 million with a budgeted amount of \$1.8 million.

Mr. Wallace addressed questions from the prior meeting relating that lowering the discount rate always increases the pension liabilities and advised Jim Kennedy will be attending the September 9th meeting to answer any follow up questions. Mr. Wallace also addressed the budgets growth rate and advised the growth rate will now range from 3-5% in the future years.

New Business:

Mr. Bittner and Mr. Smith were in attendance from Girard Pension Services to discuss the transition from Vanguard as well as how the market is performing.

Mr. Bittner provided a Girard Marker Update & Pension Portfolio Review packet. Mr. Bittner updated the committee on the transition relating that Girard originally wanted a May transition but due to the challenges faced with Vanguard they were able to accomplish a June 1st transition. Mr. Bittner advised Girard sent out their welcome packets to pensioners and updated anyone who requested changes and that July payments went out with no issues.

Mr. Bittner and Mr. Smith then discussed the Investment Report, discussing how the market performed during the 2nd quarter and the anticipation of the upcoming Fed meeting. They discussed the growth in the market was due to the magnificent 7 in AI and tech. They also discussed that there was increase inflation in core goods but now we are seeing that increase in housing. There were no questions about the economy.

Mr. Bittner advised that Girard has had Township money for 2.5 months but provided a performance report.

Mr. Smith provided an approximate YTD return: Smith took the weights from the portfolio and built a weighted average, with an approximate yield to date was 8.38%. Mr. Burke stated he also came up with 8%. Mr. Smith stated the report was ran as of 7/31/2024 and went through the packet explaining the portfolio value summary, summary of portfolio accounts, portfolio class and segment detail, performance detail, and gain/loss review.

Mr. Bittner and Mr. Smith supplemented another report, Fi360 Fiduciary Score Summary which explained a ranking of an investment against a set of quantitative due diligence criteria. Mr. Smith explained that the internation fund was changed to Goldman Sachs GQG but kept the equity the same. Mr. Burke and Mr. Smith discussed passive vs active and reaching the target of 65/35. Mr. Burke reminded Girard that the funds benchmark should include MSCI ACWI (65%) followed by Barclays US Aggregate (35%).

Mr. Bittner provided another handout about prefunding pensions for the committee to review. He explained a new way to pre-fund pensions would be through a trust that can be invested. Mr. Wallace asked Mr. Bittner what size pensions are exploring this option. Mr. Bittner related larger pensions. Mr. Burke suggested possible criticism with this option. Mr. Salanik asked Mr. Bittner is he has seen anyone do a bond to fund pensions to which Mr. Bittner said he saw one in 30 years in the mid 90's and advised of the downside is if the market drops and the impacts that could have.

Being no further business, on motion of Mr. Salanik, seconded by Mr. Burke, the meeting was adjourned at 5:43PM.

Respectfully submitted

Anne Marie Dobson

Assistant Finance Director