

Doylestown Township
Pension Advisory Committee Meeting
Minutes

Monday, February 10, 2025

In attendance: Ed Denton, Tom Burke, Ed Richardson, Ron Bittner, and Bill Smith

Township Staff: Stephanie J. Mason, Township Manager, Ken Wallace, Finance Director, Anne Marie Dobson, Assistant Finance Director, Sinclair Salisbury, Director of Code Enforcement

Liaison: Jen Herring, Supervisor

Welcome: Mr. Denton welcomed everyone to the meeting. Mr. Bittner and Mr. Smith from Girard Pension Services were introduced. No Public Comment.

Reorganization:

Mrs. Mason opened nominations for chairman. Mr. Salisbury nominated Ed Denton and Ed Richardson seconded, unanimously approved.

Mrs. Mason opened nominations for Vice Chairman: Mr. Denton nominated Mr. Salisbury and Mr. Richardson seconded, unanimously approved.

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

Old Business:

Update on Final 2025 Budget & 5 Year Plan: Mr. Wallace updated the committee on the 2025 budgeted amount that was passed by the Board and discussed the 5-year plan for MMO's. Mr. Wallace indicated we are now in a 6% discount rate which will affect the 2027 MMO after the new Act 205 comes out in March/April.

New Business:

Girard Fiscal 2024 Portfolio Performance Review & 10 year look out:

Mr. Smith presented the performance review handout. Mr. Smith discussed the performance table and explained the variances for the 4th quarter of 2024. Mr. Smith then discussed various topics regarding the economy, explaining the Fed cut rates and whether a possible cut in 2025 and a decrease in inflation. Additionally, Mr. Smith discussed labor productivity continue to lead the world. Mr. Smith reviewed stocks and bonds to include the magnificent 7 stocks and bonds and explained the expected return on bonds 4-5% over the next 5 years. Mr. Smith provided the stock estimates in another handout. Mr. Smith asked if there were any questions on economy to which the committee did not. Mr. Smith then presented the Township's portfolio overview. He advised the returns were slightly down. Mr. Smith estimated the 2024 YTD is a 9.5% return. The committee discussed growth vs withdrawals vs contributions. Mr. Smith provided a handout to discuss

PRIMECAP core fund. Mr. Smith provided an overview of the portfolio as of 2/7/25: He advised the return is up 2.8% and discussed how the market is changing and holding onto Prime cap though the performance was low in the last few years. Mr. Denton asked if it was worth holding onto and Mr. Smith advised yes. Mr. Richardson asked how they stack to large cap company, but Mr. Smith was not sure but pointed to Fi360 to discuss. Mr. Smith asked if anyone had questions. Mr. Burke compared the returns on each plan noting a 30-basis point difference in return. Mr. Smith stated it is not a full period and cash flows can contribute as uniform cash flows are much higher than non-uniform. Mr. Denton asked for an update on a 10-year return to which Mr. Smith provided another chart and discussed a 10 year expected returns. Mr. Smith discussed the future of the plans at Doylestown Township. Mr. Smith advised international bonds was not included in the portfolio stating the Township needs to remove the allocation from the policy. The committee discussed removing global international from IPS and noted the IPS does not discuss the 50/50 active and passive. The committee discussed a revision to the IPS regarding the 10% allocation of the international bonds would come out and revert to the barcay's aggregate allocation. The committee discussed international and US expectations. Mr. Denton asked if we should stay the course and if anything changes Girard will be back out in September.

Discuss PAC 2025 Objectives:

Mr. Denton asked if the committee has come up with more objectives. Mr. Richardson stated the committee has accomplished so much and to keep the course with the plan and monitor. Mr. Burke did not have any new objectives. Ms. Herring discussed the 2 separate discount rates and derisking the non-uniform plan as a future objective to work towards. The committee discussed the newest IPS for future discussions and update as appropriate to include banning crypto currency.

Being no further business, on motion of Mr. Richardson, seconded by Mr. Burke, the meeting was adjourned at 5:58PM.

Respectfully submitted

Anne Marie Dobson
Assistant Finance Director