

# Warrington Township Pension Committee

August 20, 2015

The meeting was called to order at 7:05 P.M. Present were Chief Financial Officer Barry Luber, Sergeant Robert Meditz, Joseph Kirby, Kevin Peacock, Vincent Formica and Amy Organek. Also present Lee Martin of the Peirce Park Group.

**Pledge of Allegiance:** Recited by all

**Public Comment:** None

**Approval of Minutes - None**

**New Member Introduction**

Amy Organek – Non uniformed representative

**Actuary Report – Via teleconference with Tom Zimmerman**

Mr. Zimmerman reviewed the 1/1/15 Valuation report (attached) and discussed the possible reduction of assumed return rate. As of 1/1/15, we have reached 92.8% funded and are not considered distressed. Projections through 2023 were presented showing how the expiring amortization status will affect the MMO.

Awarding a COLA for the uniformed retirees was discussed. If awarded, the payout would be in 2016 and the costs would have to be paid in 2018. If a 1.9% was given, that equals \$120,000.00 cost to the township which would need to be paid in full in 2018 regardless of market performance. Per the Collective Bargaining Agreement, a COLA can be awarded of 5% or the Greater Philadelphia CPI (whichever is less).

Mr. Kirby moved to recommend awarding a 1% COLA to the uniformed retirees in accordance with the Collective Bargaining Agreement at an expense to the township of \$60,000 payable with the 2018 budget. Sargent Meditz seconded. The motion was a draw, 2 aye, 2 nay, 2 abstain.

Considering our funding percentage status, at this time we could reduce the assumed interest rate from 7.5%. Mr. Zimmerman provided some statistics on reducing the rate to 7.25%. The committee also entertained the possibility of reducing to 7.35% to lessen the impact and additional amount required for the MMO if this change was made. The committee chose table this decision until the 7.35% scenario was reviewed and reported by Mr. Zimmerman.

Also discussed was the possibility of changing the criteria for the non-uniformed plan. Mr. Zimmerman said he would review this option and provide a report.

**Second Quarter Performance and Allocation Review**

Mr. Martin presented an Investment Performance Report on both the Police and Non-Uniformed Employees Pension Plans as of 6/30/15. He reported in the second quarter, investment losses for the Police Plan were \$14,000 and \$6,000 for the Non-Uniform Plan. Second quarter returns were 0% for both plans with a benchmark of 0%

Mr. Martin reviewed the funding policies they recommend adoption. The policies cover all procedures we are currently using, but make them into an official policy for each plan. These will be reviewed for possible recommendation to the Board of Supervisors. Mr. Luber said he would like to consult the Bucks County Consortium.

The meeting adjourned at 9:45 P.M.

Recorder: Amy Organek