

Warrington Township
Pension Committee
October 30, 2013

The meeting was called to order at 7:05 P.M. Present were Chief Financial Officer Barry Luber, Kevin Peacock, Sergeant Robert Meditz, Officer Dan Sadowski and Vivian Bell. Mr. Kirby was in attendance via phone. Also present was Jeff Hugo of InR Advisory Services.

Pledge of Allegiance: Recited by all

Public Comment: None

Approval of Minutes

A motion to approve the minutes of August 6, 2013 was submitted by Sergeant Meditz, seconded by Mr. Peacock and passed unanimously.

Actuary Report - None

InR Update and Plan Review as of 9/30/13

Mr. Hugo presented an Executive Summary on both the Police and Non-Uniformed Employees Pension Plans as of 9/30/13. He reported that the portfolio returns for the quarter were 4.94% for both the police and non-uniformed plans. A copy of the executive summary report is an addendum to the minutes. 2013 year to date returns are 9.76% for Police and 9.78% for non-uniformed. Returns since inception were 6.09% for police and 7.32% for non-uniformed.

Mr. Hugo then went over the detailed plan reviews for both plans. There was a short question and answer period.

Mr. Hugo thanked the committee for doing a site visit stating that they were the first client in ten years to come out to see their facilities. He mentioned to the committee that he trusts all of their questions were answered and that they gave them all of the material they were seeking. Mr. Kirby replied that they never received the follow up items that were promised only the one report they were received on the way out the door. He also stated that at this point there was no point in asking again for the information and that he is shocked but not surprised by another omission.

The asset allocation strategy was changed to seek better risk adjusted returns over the long term. InR has lowered the exposure to international stocks and government bonds and increased exposure to domestic stocks and non-governmental fixed assets.

The regular meeting adjourned at 7:40 P.M.

Other Business

An executive session was held after the regular meeting.

- 1) A discussion was held regarding the service from InR. The site visit confirmed what the committee knew that Inr is a very small company and a discussion ensured questioning if they have outgrown their capabilities.

The one issue that Mr. Kirby pointed out is that when reports are discussed, Mr. Hugo's response is to tell the committee what he thinks they want to hear but rarely follows up nor has yet to produce the discussed changes or deliverables. There was also discussion about concerns over not receiving accurate information or answers to questions at the quarterly meetings.

Mr. Peacock stated that the committee has three choices – 1) do nothing, 2) get another representative from Inr (Michael Glackin) to come out for a couple of meetings to see if he fits better with the Pension Committee and 3) do an RFP.

The committee agreed after some discussion to do an RFP. It was noted that it had been more than five years since the last one was done.

A motion was submitted by Mr. Kirby; seconded by Sergeant Meditz and passed unanimously to make a recommendation to the Board of Supervisors to do an RFP for pension services.

- 2) Mr. Kirby asked for an update on the process of adding an alternate volunteer or civilian member to the Pension Committee. Mr. Lubber gave an update of the process involving the solicitor, the Board of Supervisors and any associated ordinance advertising. The rest of the committee agreed adding another person with investment experience and knowledge will be beneficial to the committee and to do so prior to the commencement of the replacement search could be beneficial.
- 3) Mr. Peacock also stated that he would like to have an excel spreadsheet showing the highlights of each year, such as COLA's, interest rates, etc.

The next meeting of the Pension Committee will be scheduled shortly after the close of the next quarter. Mrs. Bell will check on everyone's availability before setting the date.

The meeting was adjourned at 8:40 P.M.

Respectfully submitted,

Vivian Bell