

Warrington Township Pension Committee

August 30, 2017

The meeting was called to order at 7:04 P.M. Present were:

Vince Formica	Kevin Peacock
Joe Kirby	Dan Sadowski
Barry Luber	Millie Seliga, Supervisor
Rob Meditz	Cassandra Williams
Amy Organek	

Patrick Wing and Lee Martin - Peirce Park Group
Tom Zimmerman and John Vargo – Conrad Siegel

Public Comment: None

Valuation Report

John Vargo reviewed the handouts reviewing the valuation the two pension plans. The Police and Non Uniformed plans are 80.8% and 99.0% funded respectively. There were several items that have impacted the funding level with the biggest impact coming from the change in the Mortality Basis from the RP to the IRS standards. These valuations affect the 2019 and future MMOs.

Potential Changes to the Non-uniformed Pension Plan

The advantages and impacts of the proposed potential changes were discussed. The three changes and their impact on the MMO were:

- Taking 3 year avg. rather than 5 year average salary for pension calculations – (\$18,000/ year)
- Lowering the number of years required to work from 30 to 25 years – (\$25,000/year)
- Lowering the age from 65 to 62 – (\$35,000/year)

These could be done individually, as a whole or in any combination. There was discussion on asking the employees to increase their funding as well.

2nd Quarter Pension Plan Performance Review

Mr. Martin and Mr. Wing presented an Investment Performance Report on both the Police and Non-Uniformed Employees' Pension Plans as of 6/30/17 with an update through 7/31/17. The performance has been good, with the global and emerging markets still performing well. There were no adjustments required this quarter.

Other/New Business

There was brief discussion on the use of smoothing the investment activity and the potential for handling the two plans differently since the Non-uniformed plan is not getting new employee participants with the defined contribution plan now in place.

Lt. Meditz asked if the actuary could revisit and provide impact for the township issuing a COLA for the pensions. He asked that it be calculated for both a .5% and a 1% COLA. This can be added to the next meeting after the calculations are received.

There was discussion of the RREEF process and how it was handled. It was agreed that better communication is necessary and will be adhered to in the future.

The Pension Committee was released from the meeting at 9:30 pm.

Recorder: Amy Organek