

BOROUGH OF DOYLESTOWN
FINANCE AND PENSION COMMITTEE MEETING
THURSDAY, FEBRUARY 13, 2020 – 6:00 pm
MINUTES

The meeting of the Finance and Pension Committee was held on the above date and time with the following people present:

Committee Members: Chair Noni West, Ben Bell, and Tim Brennan

Council Members: Council President Jack O'Brien

Staff: Caroline Brinker

Approval of Minutes

Minutes of December 12, 2019 Finance and Pension Committee meeting were approved. (Brennan/Bell)

2019 Non-Uniformed Pension Plan Performance

Ron Bittner & Barry Keck, Girard Pension Services

Mr. Keck reviewed the investment performance as of December 31, 2019. The portfolio had a gain of 19.41% for the year. Portfolio value was \$4,439,287 as of 12/31/19. The portfolio analysis and the quarterly and 1-year returns for each fund were discussed against their indices and with their 3 and 5 year rankings. Fund additions and deletions, and funds on the watch list, were also reviewed. The asset allocations were reviewed with all classes being on target.

Mr. Bittner followed-up on the actuarial results from an audit finding that was included in the CB Regional Non-Uniformed pension plan state pension audit report that was issued in 2019. The finding called for a calculation and transfer of assets from the Doylestown Borough Non-Uniformed pension plan to the Regional Non-Uniformed pension plan in an amount equal to the liability for the two former Doylestown Borough employees who became Regional Police employees. The prior service with the Borough for those two employees was credited to them in the new Regional Plan. An asset transfer was not made at the time of the creation of the regional plan because there is nothing in Act 205 that permits such a transfer, but the Department of the Auditor General has not determined through the recent audit that a transfer is appropriate and recommended that it be made. That liability amount as of 01/01/2014 was \$178,303.74.

Mr. Bittner suggested that the Borough now accrue that liability in our 12/31/2019 Doylestown NU Pension Plan Financial Statements and make the asset transfer by the end of this quarter. That way, the Auditor General will have an actual transaction to examine and hopefully respond as to the status of the finding after they are provided with evidence of the transfer. The Committee recommends Council approve the funds transfer (Brennan/Bell).

2019 Reserve Fund Investment Performance

Rick White, Princeton Wealth Advisors

The committee reviewed the 2019 Reserve Fund investment performance. Returns as of 12/31/2019 were 3.12%. The annualized internal rate of return since 2007 is 2.4%. The price impact of rising and falling interest rates was discussed. Cash needs for the Broad Street Municipal Complex were discussed. The committee also discussed duration of investments and it was decided that funds can be kept in the Vanguard Money Market at an interest rate of \$1.5%, as the 2 year treasury is only yielding 1.75%. Mr. White will notify the committee if there are any changes to interest rates.

Prepaid Invoice Authorization

The committee reviewed a draft of Resolution 2020-1 that authorizes the prepayment of certain invoices prior to the regularly scheduled approval at each monthly Council meeting. This is a housekeeping item and will update Resolution #2018-5. The list of invoices was reviewed and discussed and the committee approved passing this item to Council (Bell/Brennan). Mr. Brennan requested that the American Express charges be reviewed at committee each month.

2020 Committee Topics

No report.

Old/New Business

It was requested that the Broad Street Municipal Complex Cash Flow Projections be updated once the 90% cost estimate is received from the construction manager.

Executive Session – AFSCME Non-Uniformed Employee Labor Contract

Tabled.

The meeting adjourned at 7:15 pm.

Respectfully Submitted,
Caroline Brinker
Finance Director