

BOROUGH OF DOYLESTOWN
FINANCE AND PENSION COMMITTEE MEETING
THURSDAY, NOVEMBER 9, 2017 – 6:30 pm
MINUTES

The meeting of the Finance and Pension Committee was held on the above date, at the above time with the following members present: Chair Noni West, Tim Brennan, Jack O'Brien and Sue Gordon. Also present was Finance Director Caroline Brinker.

Approval of Minutes

Minutes of September 14, 2017 Finance and Pension Committee meeting were approved. (O'Brien/Gordon)

2017 Third Quarter Non-Uniformed Pension Plan Performance Review

Barry Keck, Univest Municipal Pension Services

Mr. Keck reviewed the investment performance as of September 30, 2017. The portfolio had a gain of 3.14% for the quarter and a gain of 10.86% for the year. Portfolio value was \$3,825,064 on 9/30/2017. 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. It was recommended that the Target allocations be changed to International Equities – 16%, Domestic Equities – 46%, and Fixed Income – 35%. Committee approved (O'Brien/Brennan). No formal action of Council required.

Pension Plan Custodial Agreement

A custodial account agreement offered by Matrix Trust Company was presented to the committee. The current custodian for the pension plan is Nationwide. Univest is recommending that the custodian be switched to Matrix Trust, which would provide lower mutual fund expenses, better reporting options and more flexibility on mutual fund selection. The agreement was reviewed by the Borough Solicitor. The committee approved the recommendation (O'Brien/Brennan) and will forward to council for final approval. Custodian change will be after January 1, 2018.

1/1/2017 Actuarial Cost Study

The 2017 Preliminary Actuarial Cost Study results were reviewed with the committee. Currently, the pension plan assumes a 7.5% interest rate and 4.5% salary scale. It has been recommended by Univest that these assumptions be changed for the filing of the 1/1/2017 Valuation Report (due 3/31/2018) to 7.25% interest rate and 4.25% salary scale. The committee approved the changes (Gordon/Brennan). No formal action by Council is required.

The meeting adjourned at 6:47 pm (Gordon/O'Brien)

Respectfully Submitted,
Caroline Brinker
Finance Director