

Minutes of Employee Money Purchase Pension Plan (401a) and Deferred Compensation Plan (457b) Committee-Regular Meeting - July 16, 2015 @ 7:00 pm

Attendees: Jeffrey Sarnocinski, Michael Jenkins, Gregory Reiff, Shannon Drosnock, Thomas Schatzman, Meg Swiggard, Thomas Kowalski, John Malley, Supervisor Liaison Jeffrey McDonnell

Unable to Attend: Lucy Gonzalez, James Kelly, Ann Shade
The meeting was called to Order at 7:08 p.m.

Review of April Meeting Minutes

Minutes from the April meeting were approved with a motion by Tom Kowalski with a second by John Malley.

Investment Portfolio Report from Mr. Schatzman:

- Review of the investment handout
- Energy/oil discussion - We can't store oil and our natural gas production is through the roof – if I'm drilling, I have to sell – I can't store the oil. When I frack in pa I have about a 2 year storage window max.
- People in the lowest income bracket spend the largest percent of their income on energy so when energy costs are low it is the best for those at the lower end of the spectrum which is good for those folks.
- Talk about Europe again – feel that those dividend yields are safe.
- As has been the conversation, the behavior of the individuals in the market is that the individuals are still buying bonds and staying in the bond market and then not doing well.
- The Federal Reserve is looking to raise rates soon – that doesn't mean the market has to go down it just means it gets more volatile and you have to pay attention.
- Participants – don't own REIT, junk bonds, etc – The Township plan does not even have those options as a choice. Stay in blue chips and safe conservative instruments – stay away from China, India

TAB 2

Value managers are suffering because of Apple – Apple is considered a value stock but no value mgrs. Own it because they consider it a growth stock. Apple is doing great right now which is boosting the benchmark and hurting the performance measurement of the funds.

Growth funds doing well. Growth Fund and AMCap are all global.

Small Caps doing well – are truly global. Good fund for younger employees.

Balanced funds – are largest single holding in our plan. Bit of a 1 year miss because they are on the value side but they are performing fine over all. Great risk adjusted returns.

Bond Funds – corporate bond funds took a bit of a hit in the one year because of energy holdings but longer term returns are good. While they aren't doing great right now, it's not the managers, its that bond funds aren't doing well right now.

EuroPacific Growth fund is doing very well. It is a very conservative fund.

Target date funds are where the recommendation is for new participants or current participants who are looking for direction. The target date funds don't have anything in emerging markets which hurt last year as India was way up but is good now as India is not doing well at all.

Overall discussion on the economy – review of Greece impact and Puerto Rico impact.

Motion to adjourn – motion by Tom Kowalski with a second by John Malley.

The meeting was adjourned at 7:35pm.