

Minutes of Employee Money Purchase Pension Plan (401a) and Deferred Compensation Plan (457b) Committee - Regular Meeting – October 17, 2019 @ 7:00 p.m.

Attendees: L. Grogan, R. Grier, T. Kowalski, J. Malley, G. Reiff, J. Sarnocinski, T. Schatzman, A. Shade, B. Shoupe

Missing: D. Beaver, M. Jenkins, J. McDonnell, F. Shaffer, M. Swiggard

Call to order: 7:00 p.m. start of meeting

Review of Meeting Minutes

Meeting minutes from the April 25, 2019 meeting were approved with a motion by Bruce Shoupe and seconded by Jeff Sarnocinski.

New Business

Announcement of resignation of Ami Tarburton who resigned in August 2019 and accepted a position with the North Penn Water Authority. Also announcement of the appointment of Carolyn McCreary as the Township Manager Designee, effective September 2019 and the retirement of Larry Grogan as Township Manager effective December 2019.

Investment Portfolio Report

Tom Schatzman of Graystone Consulting reviewed the third quarter investment reports and discussed the current state of the market. He reviewed the US Equity Size and Style Performance, Stocks Valuation Metrics, and Relative Performance of Value vs. Growth, commenting that the value stocks vs. growth stocks is below its prior low in 1999 and that we are at a place we haven't been in a long time. European equities are at a 40% discount compared to the United States. Since 2008 the United States has outperformed international and now we are in a lengthy downturn. We also now have trading done at a negative yield. The auto industry is currently in a recession.

The American Growth Fund is a very large and constrained fund. Participants really like this fund and we don't want to force anyone out. Mr. Schatzman is of the opinion that people should stay where they are comfortable; rather than not to participate at all. This is not an inappropriate choice, but this fund is going to struggle in this environment.

Mr. Schatzman stated that Mainstay Fund has much better returns; on the growth/value spectrum, he said that they are right on the growth. He also encourages the target date funds and would like to see more people in these funds because of a better rate of return and outcomes is seen. Much of this reasoning is because most people pick their asset allocation on the day they enroll and never change it.

No recommendation from Mr. Schatzman to invest in government funds right now and happy with the Europacific Fund.

Discussion ensued about doing a re-enrollment with the current third-party administrator, BCG.

There being no further business, a motion was made by Jeff Sarnocinski to adjourn the meeting, seconded by Bruce Shoupe.

The meeting adjourned at 8:08 p.m.