

**Minutes of Employee Money Purchase Pension Plan (401a) and Deferred Compensation Plan (457b) Committee - Regular Meeting – April 15, 2020 @ 6:30 p.m. – held via conference call**

Attendees: D. Beaver, R. Grier, T. Kowalski, J. Malley, C. McCreary, G. Reiff, J. Sarnocinski, T. Schatzman, A. Shade, B. Shapiro, B. Shoupe, M. Swiggard

Missing: F. Shaffer

Call to order: 6:30 p.m. start of meeting.

**Review of Meeting Minutes**

Meeting minutes from the October 17, 2019 meeting were approved with a motion by Tom Kowalski and seconded by John Malley.

**New Business**

Welcome of Carolyn McCreary, Township Manager and Brian Shapiro, Finance Director.

**Investment Portfolio Report**

Tom Schatzman of Graystone Consulting reviewed the first quarter investment reports and discussed the current state of the economy, market and general fund analysis, highlighting the following areas of U.S. Equity Size and Style Performance, Stocks Valuation Metrics, and Investment Fund Performance –

Since COVID-19, we are in a cheap oil market which has placed a lot of people out of business; bankruptcies and unemployment are on the rise. The numbers are reflective as of March 31, before the fiscal issues came into place. Based upon our surveys, the economy is still not where we would like and the numbers are a little worse than we thought. Due to COVID and overall shut-down, consumption is down. This is apparent in the drop of car purchases for instance. Unemployment is at 10% and we think it will hit 17%. Fed will try to soften the blow, but this is a staggering number. This is the first time that we have had a sudden halt in recession.

The good news is that we are hoping that this recovery will be quicker than a normal recession. We are hoping to recover in eight quarters, over two years of repair; this is not lightening fast but better than a normal recession. The S&P is down 39%; it could take us 18 months to recover; recovery is sometimes seven months, others much longer.

Mr. Malley asked about rebalancing of target date funds. Mr. Schatzman stated that his recommendation would be to keep the target date fund(s) as Morgan Stanley continues to like them very much.

A discussion continued with regard to people taking action on changes to their funds. Mr. Schatzman commented that our participants don't do anything with their funds. We hope to have a re-enrollment at some point so that participants can think about fund selections again.

Mr. Schatzman proceeded with a general review and summary of the investment funds of the 401a and 457b Plans performance. He commented that the Income Fund of America's numbers are not good.

There being no further business, a motion was made by Tom Kowalski to adjourn the meeting, seconded by David Beaver.

The meeting adjourned at 6:59 p.m.