

**Warwick Township
Financial Advisory Committee (FAC) Meeting Minutes
November 19, 2020**

Members Present:

Paul Hunzeker
Chester Davis
John Ramey
Edward Dixon
Jon Fioravanti

Township Representatives:

Becki Wilhelm
Marian Buck
Kyle Seckinger
John Cox

CBIZ InR Representatives:

Mike Glackin, CFP, AIF
Jeff Hugo, AIF, CLU, ChFC, CEBS
Rich Ritzer, CFP

ZOOM Meeting Due to Corona Virus Restrictions

12:03 PM: Meeting called to order

Motion to approve the minutes from the last meeting: Chet, seconded by Jon and Paul

No old business to discuss.

Mike began the meeting by promoting his conviction to the “all market index approach” that is employed in our pension model. The plan of stay the course, rebalance as needed is a very efficient strategy for our pension plan. He credits three reasons for our high performance:

1. Our conviction to staying the course during the difficult market days of 2020
2. Rebalancing often – especially when done at the end of March after the market decline.
3. Increasing our deposits of the MMO from once a year to monthly.

Our results for the quarter ended 9/30 were 2.52% for the NU plan and 3.91% for the Police plan. The results from yesterday (11/18) show the NU plan at 8.8% and the Police plan at 7.58%. The return of the plan since inception is 6.68%, while good under the circumstances, our assumed interest rate of 7.25% is higher and our MMO’s will start to be difficult to manage.

The MMO for 2021 will be based on the last two year’s performance which was very good. It is future MMO’s that are of a concern.

Mike suggested that we ask John Vargo, our actuary, to join in on our quarterly meeting next year. Becki agreed that it would be helpful to get his guidance. Paul asked about the assumed rate and wanted to know if it could be adjusted anytime and Mike replied, yes.

The bond market helped our return when in March a rebalance was performed and we bought HYG (High Yield Inflation bonds). We also purchased small, mid-cap and Int’l stock when they were on “sale”.

Jon asked about what triggers the rebalance and we were told that a software program alerts them. We have been rebalanced at least 5 times this year.

Jon spoke about shorter duration bonds. Ed asked about inflation if rates go up.

Rich let us know about the 457 side of the business. The model is the same for 457 as the pension. Only one employee changed their position this year due to the market volatility. The market made a quick recovery and the model is working well.

Chet was pleased with the results and the model's ability to respond to market fluctuations.

Becki will try to arrange for John Vargo to attend the next meeting in 2021.

12:44 PM: Motion to adjourn Chet, seconded by Jon