

**Warwick Township
Financial Advisory Committee (FAC) Meeting Minutes
February 18, 2021**

Members Present:

Paul Hunzeker
Chester Davis
John Ramey
Edward Dixon

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 - Recorded

12:01 PM: Chet called the meeting to order

Reorganization for 2021:

Chair is Chester Davis
Secretary is Edward Dixon

Discussion of results:

Mike stated how happy CBIZ was that all the 100 municipalities that they represented “stayed the course” during all the turbulent times of 2020. CBIZ sold bonds, bought stocks, rebalanced several times during the year and bought bonds back when they were cheaper. The “All Market Index Approach” has paid off for us. Using the Police Pension results, he quoted us the year end 2020 at 15.87%. Coupling that with the results of 2019 of 20.87%, our return for the MMO look-back period for 2022 and 2023 funding, we have a positive 36.74% compared to the 14.5% assumed rate of return. Mike said that these rates are dramatically positive based on what was expected of 2020 at the first meeting of last year.

Mike has spoken to our actuary, John Vargo, because of the many municipalities that they both represent. He suggested that John will want us to look at our assumed interest rate (7.25%) this year and take advantage of the impact of the overperformance that 2019 and 2020 added to the portfolio.

Several strategic allocation changes were made to the plan. Early on in 2020 we were overweight in interim corporate bonds which allowed us a 9% return versus 7.5% for all bonds. On 4/18, a day before the Fed moved the market, CBIZ changed to high yield bonds taking advantage of the expected change. This past January, CBIZ purchased short term mortgage backed bonds, the opinion being that the everyday American has a better balance sheet than corporations.

CBIZ has significantly lowered the forward-looking assumptions for the next ten years to 5.89% average from his last year’s outlook of 6.68%. CBIZ feels that expectations are going down and that the highs of the last 2 years are historic. Also, the current valuations of the market are double the 2008 valuations.

Mike is thrilled with where we are in the 457 accounts of the employees. They did not panic, they kept invested and the accounts were rebalanced like the pension. He credited Rich with keeping the employees on course with contact and personalized education.

CBIZ made changes for 2021. Still an all market approach with equity market better than fixed assets.

Rich saw more rollovers from the employees out of ICMA last year.

Paul asked a question about TIPS and short term versus regular TIPS. Rich said that we currently have the best of both worlds.

Motion to approve the minutes from the last meeting: John made a motion to accept, except for his last name spelling, and Paul seconded.

No Old Business.

Becki asked if there was a need for discussion of the current investment policies before any motions on them.

Chet made a motion for the reestablishment of the Police Pension Investment Policy 2014-29. Paul seconded the motion. All were in favor.

Chet made a motion for the reestablishment of the Non-Uniform Pension Investment Policy 2014-30. John Ramey seconded the motion. All were in favor.

There we no Public Comments.

Adjournment was at 12:29 PM