

**Warwick Township
Financial Advisory Committee (FAC) Meeting Minutes
February 02, 2023**

Members Present:

Bob Fitt
John Ramey
Jon Fioravanti
Ed Dixon

Township Representatives:

Becki Marencik
Kari Cunningham
Kyle Seckinger
John Cox

CBIZ InR Representatives:

Mike Glackin, CFP, AIF

Main Meeting Room

12:00 PM: Discussion of the Warwick Township Pension Plan results for first 2 months of 2023 and overall performance for 2022.

Mike started by stating that there has been a Bear Market Correction. Overall, both plans are down 16.07%. In the 4th quarter of 2022, the market recovered slightly with the balance of 70% stocks and 30% bonds. Pivoting between international and domestic funds helped the performance in 2022. Pensions will perform over the 7% interest rate because the balance is riskier giving a higher return.

There have been 2 Bear Market Rallies with YTD rate of 6.35% both stocks and bonds which is good. The stock market is 10 months ahead and the bond market shows current market performance. Always look at the long-term horizon.

Currently, earnings are decent, not great. Inflation is coming down along with the CPI. The unemployment rate continues to be low. The expected Pensions performance rate of return is 6.24%. This can be accomplished with an all-market index approach. By reviewing market indexes will help determine when to buy funds at a discounted rate, get higher returns from bonds, and rebalancing the Pensions when needed.

Mike commented about the Defined Contribution plans and a new catch-up rule that includes after tax money. With the current market performance of uncertainty, it is an emotional time for participants. Rich visited several families to review their 457 and 401a retirement plans.

Mike showed us the report that concluded CBIZ Investment Advisory Services, LLC. is now a Certified 3(38) Manager. It was evaluated by Dalbar, Inc. They evaluated the qualifications, capabilities, and services provided by CBIZ Investment Advisory Services, LLC., dba CBIZ InR. The evaluations consist of a variety of sources including background checks on all key personnel, potential conflicts of interest, reasonableness of arrangements and contracts, client evaluation, scope of work performed, adequacy of insurance protection, and use of Generally Accepted Investment Theory.

Bob Fitt commented on the strategy of growth versus value of large Cap Size Funds. Mike stated that it's better to have more asset classes. It's hard to know what the market is going to do. When growth funds go down because of bad economic news or events, it is better to buy value funds. It's best to keep neutral balance.

Mike talked about the state of the recession. Long term rates are down, and short-term rates are up. There is still a 6% inflation rate. He feels that the Federal Reserve will raise the feds funds rates 3 more times by .25. Rates will drop after the third raise. The previous drop of 9-6% was because of the pandemic. Any additional stimulus packages will have a negative impact on the Market.

Mike left the meeting at 12:45 PM.

The meeting was called to Order at 1:00 PM by Ed Dixon and John Ramey.

The minutes of the November 17, 2022, meeting was approved by John Ramey and seconded by Bob Fitt.

At 1:00 PM A motion to adjourn was made by John Ramey and seconded by Bob Fitt.