

**Warwick Township
Financial Advisory Committee (FAC) Meeting Minutes
May 18, 2023**

Members Present:

John Ramey
Jon Fioravanti
Paul Hunzeker

Township Representatives:

Becki Marencik
Kari Cunningham
John Cox

CBIZ InR Representatives:

Mike Glackin, CFP, AIF
Rich Ritzer, CFP

Main Meeting Room

12:05 PM: Recap of first quarter and performance review of Warwick Township Pensions

Rich Ritzer started out saying that it has been the fastest Federal Rate hike ever seen. The Fed indicated that the interest rate hike of 0.25% points in May is potentially the last for a while. CBIZ has been buying Growth Stocks and buying what's on sale. With the Fed currently not making definitive decisions about the future rate hikes, it's been affecting the Market and the buying options.

Mike Glackin stated that the debt ceiling, bank problems, and Ukraine War are causing a lot of uncertainty. Today, the bond market is performing well. If a recession is imminent there will be a market correction and buying options will change.

Rich Ritzer implied that the Money Markets are yielding 3-4% interest and treasuries are outperforming other bonds because the Federal Fund Rate is high.

Rich went on to explain that the Police Pension Fund is up over 11 million since the plan started at CBIZ. With an allocation of 70% Growth Funds and 30% Bond Funds, the diversification between US and International funds has allowed the Pension to grow.

Rich talked about the expected return versus standard deviation of each portfolio. The expected rate of return is 6.25% and the standard deviation is 11.15% for the Police Pension Portfolio and the expected rate of return is 6.15% and the standard deviation is 11.27% for the Non-Uniform Portfolio. The higher the standard deviation, the higher the risk.

Jon Fioravanti asked Rich if they thought about moving from Growth Funds to Value Funds. Mike Glackin explained that the portfolios are rebalanced each time money is received from Becki Marencik. Rebalancing the asset classes and using dollar cost averaging, helps the portfolios perform well. The actuary uses asset smoothing to help manage volatility in the market. It provides more stable contribution rates and spreads losses over time.

Paul Hunzeker asked why the Non-Uniform Pension Portfolio has more cash. Becki stated that the plan is closed and currently only 4 participants. There is a higher outflow than inflow of money. Mike Glackin stated that the liquidity planning is looked at every other year. Jen Coale looks at selling funds to pay pension checks every period. If she is concerned about the portfolio, she contacts Mike Glackin and Rich Ritzer.

Mike Glackin and Rich Ritzer left the meeting at 12:52 PM.

The meeting was called to Order at 12:52 PM by Jon Fioravanti and John Ramey.

The minutes of the February 16, 2023, meeting was approved by John Ramey and seconded by Jon Fioravanti.

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