

**Warwick Township
Financial Advisory Committee (FAC) Meeting Minutes
November 17, 2022**

Members Present:

Bob Fitt
John Ramey
Paul Hunzecker
Ed Dixon

Township Representatives:

Becki Wilhelm
Kari Cunningham
Kyle Seckinger
John Cox

CBIZ InR Representatives:

Mike Glackin, CFP, AIF
Rich Ritzer, CFP

Main Meeting Room

12:03 PM: Discussion of the Warwick Township Pension Plan results for third quarter during Bear Market:

Together Mike and Rich explained that the current position of the stock market is not a reflection of the economy. With the rise of interest rates, the bond market is more favorable for future investments. As interest rates lower, that strategy will be reversed. Also keep in mind that the if you increase the risk in investments there are more rewards.

Mike noted that the Police Pension's return is 5.03% and the Non-Uniform Pension return is 5.11%. Their performances are in line with the MSCI ACWI (TRN) market which has a 5.55% return. They lowered overseas exposure. Overseas market is in recession. Investing in a portfolio of 75% US Funds and 25% International funds the pensions have been rewarded.

In January, their expectations are closer to the assumed interest rate of 7% return. They feel confident that they can forecast the market movement better. From the adjustments they made in Mid-July to the end of September, the portfolios are performing better than the current market.

There is a higher yield in the bond market than the stock market and they plan to stay the course if interest rates keep rising. More money will be invested in High Yield Bonds. If interest rates lower, bonds will be sold, and stocks will be bought at the lower prices.

Mike and Rich feel that it is abnormal for the Federal Reserve to be all be agreeing on the rate of changing interest rates.

Bob Fitt asked if the recent election affected the interest rates. Mike said that they waited until today, over a week after the election, to make an announcement. Fed is proposing a ½ point hike in December. Mike also said to pay attention to job market. It is not reflecting a recession.

Paul Hunzecker talked about the recovery period for bonds is 10 years, closer to the 1980's Market.

Ed Dixon asked about inversion. An inverted market or normal market refers to how futures prices compare to each other at different maturities. An inverted market sees futures prices that are lower over time, while a normal market sees futures prices that are higher over time. Mike said to watch the CPI – Consumer price index and the PPI – Producer Price Index. If there is a long-term recession, people won't spend.

Becki went over the update of the Post Retirement Benefits Trust (OPEB) and pointed out that the BOS wanted a more conservative portfolio, and the committee agreed on 70% Equity and 30% Bonds. They also agreed on an actuarial assumed interest rate of 5%. It was approved by John Ramey and Ed Dixon.

Rich and Mike left the meeting at 12:45 PM.

Meeting was called to Order at 1:00 PM by Ed Dixon.

The minutes of the August 18, 2022, meeting was approved by John Ramey and seconded by Bob Fitt.

At 1:05 PM A motion to adjourn was made by John Ramey and seconded by Ed Dixon.