

**TOWN OF ELSMERE
PENSION COMMITTEE MEETING MINUTES
JUNE 7, 2017
COUNCIL CHAMBERS
6:30 p.m.**

Call to Order: Chairman Neal Strauss called the meeting to order at 6:30 p.m.

Pledge of Allegiance

Moment of Silent Prayer for Those Wishing to Do So

Public Comment: None.

Roll Call:

CHAIRMAN	NEAL STRAUSS	PRESENT
SECRETARY	KEVIN MACDOWELL	PRESENT
MAYOR	ERIC THOMPSON	ABSENT
COUNCILMAN	BRIAN HURST	PRESENT
COMMITTEE MEMBER	STEVE BARONE	PRESENT
COMMITTEE MEMBER	KRISTA WRISTON	ABSENT
COMMITTEE MEMBER	HEATHER HEROLD	PRESENT
Town Manager, John Giles – Present		
Director of Finance, Joseph Schulcz – Present		
Attorney, Tim Snyder – Not Present		

Approval of Minutes:

1. March 8, 2017 Pension Meeting Minutes

ACTION: A motion was made by Committee Member Heather Herold to approve the March 8, 2017 Pension Committee Meeting Minutes. The motion was seconded by Committee Member Steve Barone.

VOTE: 4-0 with 2 absent and 1 abstained Motion carried

Review of Financial Activity Occurring Since Last Committee Meeting:

1. Monthly statement of Accounts for March, April and May 2017.

Town Manager John Giles advised the committee all reports are available for their review.

2. Collateralization Statement from the Bank of New York.

Finance Director Joseph Schulcz provided the Collateralization Statement from the Bank of New York for their review.

Chairman Neal Strauss asked the Finance Director to provide his explanation of the report.

Finance Director Joseph Schulcz stated that he believes this report is showing excess funds that are not invested at this time.

Chairman Neal Strauss asked Town Manager John Giles if he had any input on this document.

Town Manager John Giles, stated that this is the first time he is reviewing this report and he is concerned with the following statement, “unless otherwise agreed in writing, financial assets held as collateral may incur financial assets in default...” He continued to finish the statement and then asked the Finance Director what the purpose this letter serves. Further discussion occurred between Town Manager John Giles, Finance Director Joseph Schulcz, and Chairman Neal Strauss regarding this letter and non-invested funds.

Chairman Neal Strauss asked if this is something that the Lawyer should review.

Town Manager John Giles stated that he will send this to the attorney for his review.

3. Monthly Payment Reports.

Chairman Neal Strauss asked if there was any input.

Town Manager John Giles stated that all reports showing payments made via payroll deductions are available for their review.

Town Manager John Giles asked Finance Director Joseph Schulcz if there were any other payments made.

Finance Director Joseph Schulcz stated that the service charge for the last quarter was recently paid.

Town Manager John Giles asked for the total amount.

Finance Director Joseph Schulcz stated it was \$4796.89 to Wilmington Trust.

Old Business:

1. Items for the Elsmere Police Pension Plan.

- a. The Committee will review Ordinance 630, an Ordinance amending the Elsmere Police Pension Plan.

Town Manager John Giles stated this is regarding the IRS determination letter received and their recommended changes to the plan in order to make it current. Since this plan is put forth by the Council via Ordinance, Council must adopt these changes. This is due to the Federal Government by July 13, 2017.

Chairman Neal Strauss asked if this falls under the original plan or the secondary plan.

Town Manager John Giles stated that this is an amendment to the original plan.

Chairman Neal Strauss clarified with Town Manager John Giles that this does not require a vote from the committee, this is just to keep the committee aware. Town Manager John Giles confirmed that is correct.

b. Review and consideration of accepting the Actuarial Evaluation Report for the year ending December 31, 2017.

Town Manager John Giles stated that all committee members have a copy of the report. He identified that the most glaring item on the report is that it did not do as well as expected. Additionally, in the letter received from Parker Elmore of Odyssey Advisors, the company that completes the Actuarial Valuation, advising the Town to consider increasing their contribution to the plan to \$200,000.00 since the plan does not have an 8% return.

Chairman Neal Strauss asked what the Town's contribution is now.

Town Manager John Giles stated that it is about \$160,000.00. He asked the Finance Director to confirm what was budgeted last year. Before Finance Director could answer, Town Manager John Giles stated that the actual budgeted amount is \$126,165.00. Therefore, they are requesting another \$80,000.00 annually to be budgeted.

There was further discussion between Chairman Neal Strauss and Town Manager John Giles regarding the funded amount of the Pension Plan.

Chairman Neal Strauss asked when the Town started using Wilmington Trust.

Finance Director Joseph Schulcz stated that it was July 2016.

Additional discussion occurred between Town Manager John Giles and Chairman Neal Strauss regarding investments and returns.

ACTION: A motion was made by Councilman Brian Hurst to accept the Actuarial Valuation report for the year ending December 31, 2017. The motion was seconded by Heather Herold.

VOTE: 5-0 with 2 absent All-in-favor Motion carried

New Business:

1. Items for the State of Delaware County / Municipal Police Pension Plan

a. Review of the Schedule of Employer Allocations.

Town Manager John Giles stated that he was anticipating having this from the State for today's meeting, but it has not been received. He also confirmed with the Finance Director, Joseph Schulcz, that it has not been received, and he confirmed.

b. Update on the officers moved into this plan.

Town Manager John Giles stated that there were two officers moved into the plan, Officer John Giles and Officer Steve West.

Finance Director Joseph Schulcz added that this occurred on May 1, 2017

2. Items for the Elsmere Police Secondary Pension Plan.

Town Manager John Giles stated the two officers were moved out of this plan to the State plan previously discussed.

3. Items for the Town of Elsmere Employee Retirement Plan.

None.

Review of Reports:

None.

Items Submitted By Committee Members:

1. Committee Member Steve Barone asked if it was known how much has been made by Wilmington Trust.

Town Manager John Giles stated that we have the totals for the year, but this is not solely what Wilmington Trust has generated. He stated we can have this information at the next meeting.

Finance Director Joseph Schulcz stated that it is about \$42,000.00.

Town Manager John Giles asked Steve Barone if this was a sufficient answer for him. Steve Barone agreed.

Finance Director Joseph Schulcz added that Parker Elmore uses an assumed rate of 8%; however, Parker Elsmere has identified in reality we have a return of 3.51%.

Chairman Neal Strauss added that Parker Elmore previously identified that Wilmington Trust is being conservative with their investments.

2. Chairman Neal Strauss notified the committee that Parker Elmore determined the COLA increase is 2.23% for the original Elsmere Police Pension plan.

ACTION: A motion was made by Committee Member Heather Herold accept the COLA increase to 2.23%. The motion was seconded by Councilman Brian Hurst.

VOTE: 5-0 with 2 Absent All-in-favor Motion carried

Public Comment:

None.

Adjournment:

ACTION: A motion was made by Councilman Brian Hurst to adjourn. The motion was seconded by Committee Member Heather Herold.

VOTE: 5-0 with 2 Absent All-in-favor Motion carried

These minutes summarize agenda and other issues discussed at this meeting. Votes are recorded accurately. The audio tape(s) of this meeting will be available at Town Hall for a period of two years from the date these minutes are approved. The audio tapes may be reviewed at Town Hall by appointment and in accordance with the Freedom of Information Act.

NEAL D. STRAUSS
CHAIRMAN

KEVIN MACDOWELL
SECRETARY