

**TOWN OF ELSMERE
PENSION COMMITTEE MEETING MINUTES
MARCH 8, 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

Appointment of new member(s):

ACTION: A motion was made by Councilman John Jaremchuk to acknowledge the appointment of Patrolman Kevin MacDowell to replace Committee Member, Secretary, PFC Steven West on the Pension Committee. The motion was seconded by Mayor Steve Burg.

VOTE: 6-0 1 Absent All-in-favor Motion carried

ACTION: A motion was made by Councilman John Jaremchuk to appoint Patrolman Kevin MacDowell to the position of Secretary. The motion was seconded by Mayor Steve Burg.

VOTE: 6-0 1 Absent All-in-favor Motion carried

Public Comment: None

Roll Call:

CHAIRMAN	NEAL STRAUSS	PRESENT
SECRETARY	STEVEN WEST	PRESENT
MAYOR	STEVE BURG	PRESENT
COUNCILMAN	JOHN JAREMCHUK, JR.	PRESENT
COMMITTEE MEMBER	STEVE BARONE	ABSENT
COMMITTEE MEMBER	KRISTA WRISTON	PRESENT
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. December 07, 2016 Pension Meeting Minutes

ACTION: A motion was made by Councilman John Jaremchuk to approve the December 07, 2016 Pension Committee Meeting Minutes. The motion was seconded by Heather Herold.

VOTE: 6-0 1 Absent All-in-favor Motion carried

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Review of Financial Activity Occurring Since Last Committee Meeting:

1. Review of financial statements for the months of December 2016, January and February 2017.

Town Manager John Giles stated that these statements are available for the committees review.

Mayor Steve Burg asked if there is a bottom line on the interest from the investments regarding the Wilmington Trust account.

Finance Director Joseph Schulcz handed out a plan summary report to each committee member.

Town Manager John Giles reminded all that we now have one account with Wilmington Trust. As opposed to the previous two accounts, one with Christiana Trust and one with the State. Now all fees are paid out of the Wilmington Trust account, as opposed to the State account transferring money to the old Christiana Trust account and paying fees, therefore the returns would appear to be higher since fees were not taken from the Christiana Trust account, as it is now with the Wilmington Trust account.

Finance Director Joseph Schulcz, stated that we have transferred a total of \$2,645,000.00 with Wilmington Trust. At this point \$127,774.00 has been paid out in pension payments. Earned income is \$21,300.00. Realized gains/losses are \$3,000.00. He stated that they keep a dual set of books for market value and cost, ideally market value will be higher than the cost. The cost basis is \$2,537,000.00. He stated that here is an unrealized gain of \$13,000.00 on their books. The change in earned income is \$5,000.00, which brings it back up to the market total.

Mayor Steve Burg stated the difference is roughly \$90,000.00. Therefore instead of paying roughly \$127,000.00 we have only paid \$90,000.00; therefore he believes this is generally good.

Public present, Eric Thompson, asked the Finance Director if he has the percentage return available, since he does not have the plan summary document in front of him.

Finance Director, Joseph Schulcz stated that he does not have this number worked out at this time, he is waiting for February's numbers.

Old Business:

1. Items for the Elsmere Police Pension Plan
 - a. Approval of COLA increases for 2017.

Chairman Neal Strauss stated that he spoke with the Town Manager and this information is not yet available.

Town Manager John Giles confirmed that he spoke with Parker Elmore and this information is not yet available and it would be a few weeks.

Councilman John Jaremchuk asked when the increase will take effect.

Town Manager John Giles stated that the first one would occur in July, 2017.

b. Discussion concerning the actuarial report for 2016.

Chairman Neal Strauss stated that he understands this cannot be completed until the COLA is received.

Town Manager John Giles stated that Parker Elmore stated that this is on delay and it will not be ready until June 2017.

Councilman John Jaremchuk asked if Parker Elmore falling behind on things.

Town Manager John Giles stated he doesn't believe so.

New Business:

1. Items for the Elsmere Police Pension Plan.

a. Discussion of an update from Wilmington Trust concerning updating state withholding taxes.

Town Manager John Giles stated that we received a letter from Wilmington Trust, stating there was an issue with where the withholdings were being sent. He stated that this issue has been resolved between Wilmington Trust and the Finance Director via e-mail.

Town Manager John Giles also added there was an issue with a check box on the W-4's.

Finance Director Joseph Schulcz interjected it is the 1099-R that is issues annually for the pension.

Town Manager John Giles stated that on the 1099-R for the original pension plan has been incorrectly marked for years. A Pensioners accountant found this error, and it has been corrected and new forms have been sent out.

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

a. Review of Ordinance 624.

Town Manager John Giles stated at the last budget hearing, the Chief of Police requested the Mayor and Council move the officers enrolled in the Police Secondary Plan to the State of Delaware Plan, after 5 years of service.

Chairman Neal Strauss asked for his own knowledge if the officers can buy-in to the plan when they have 5 years of service.

Town Manager John Giles stated that they cannot buy-in and get their 5 years, they have to buy-in at the end. He added that the Finance Director is currently working on what will happen with their current investments with MassMutual.

Finance Director Joseph Schulcz added at this point he is determining what the best result is for the officers.

Town Manager John Giles also added that the State will require a copy of this Ordinance for their files.

3. Items for the Elsmere Police Secondary Pension Plan.

None.

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

- a. MassMutual correspondence Nuveen Index Funds closure and liquidation of funds, letter dated February 17, 2017.

Town Manager John Giles stated that all have a copy of the letter, and it essentially states that one of the investment options is no longer available. A decision needs to be made on another investment option. This needs to be completed no later than March 13, 2017. The Finance Director spoke with our representative, Nick Adornetto, and he has suggested TIAA-CREF Equity Index Inv Opt on the second page of the form, and the effective date will be April 13, 2017.

Councilman John Jaremchuk asked the Town Manager how these investments were initially decided.

Town Manager John Giles stated that the same gentlemen, Nick Adornetto, is paid to advise us on investment options, and they will monitor them and make suggestions if anything needs to be changed.

Councilman John Jaremchuk asked to verify that it is the employers' decision on which investment options are available.

Town Manager John Giles stated that we, as the employer, have determined which investment options are offered and the employee can choose the options they wish to invest in. He also added that the employees enrolled have received notification from MassMutual detailing the investment changes. Once the employer determines the new investment option, MassMutual has provided a form letter to notify employees enrolled detailing the investment options changes.

ACTION: A motion was made by Councilman John Jaremchuk to select TIAA-CREF Equity Index Investment Option. The motion was seconded by Secretary Steven West.

VOTE: 6-0 1 Absent All-in-favor Motion carried

5. Setting a date for the next meeting of the committee.

Chairman Neal Strauss stated this should potentially wait, at the call of the Chair, until we receive the COLA.

Town Manager John Giles suggested the Chairman should be authorized to send out the COLA letters once this is determined.

Councilman John Jaremchuk stated that this is his last meeting as an appointed member of Council to the Pension Committee, unless he is deemed a citizen representative. He asked if the by-laws limit the number of committee members.

Town Manager John Giles stated that it would need to change or a citizen would need to come off the committee, since he would no longer be the Council representative.

ACTION: A motion was made by Councilman John Jaremchuk to authorize the Chairman to sign the COLA letters authorizing what the COLA increases will be. The motion was seconded by Mayor Steve Burg.

VOTE: 6-0 1 Absent All-in-favor Motion carried

Review of Reports:

None.

Items Submitted By Committee Members:

Mayor Steve Burg stated it has been great serving on this Committee and wishes everyone the best.

Chairman Neal Strauss thanked Mayor Steve Burg and Councilman Jaremchuk for their service.

Public Comment:

None.

Adjournment:

ACTION: A motion was made by Councilman John Jaremchuk to adjourn. The motion was seconded by Mayor Steve Burg.

VOTE: 6-0 1 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

STEVEN WEST
SECRETARY