

A regular meeting of the **PENSION BOARD** was held today, Chairman Morton J. Simon, Jr. presiding. Staff members present were M. Elizabeth McBride, Director of Fiscal Affairs and David G. Kraynik, Township Manager. Also present were Thomas Conroy, PFM Advisors and Mark R. Gensheimer of C. S. McKee, and William David Webb from the Municipal Police Pension Fund.

1. Messrs. Conroy and Gensheimer reported on the overall performance of the economy and capital markets during the third quarter of 2009. The performance in the quarter was very positive.

2. Mr. Conroy reported on the specific performance of all four (4) pension plans for the second quarter ending September 30, 2009 as follows:

- a) **Police:** This plan had a 12.74% increase in earnings with \$1,901,605 in gains/net flows for the quarter. The total portfolio value was \$20,039,491.
- b) **Salaried:** This plan had a 12.41% increase in earnings with \$854,778 in gains/net flows for the quarter. The total portfolio value was \$9,157,135.
- c) **Hourly:** This plan had a 12.23% increase in earnings with \$643,980 in gains/net flows for the quarter. The total portfolio value was \$6,729,918.
- d) **Commissioners:** This plan had a 15.35% increase in earnings with \$20,001 in gains/net flows for the quarter. The total portfolio value was \$197,289.

3. Mr. Gensheimer reviewed the performance of the funds managed by C. S. McKee in all four (4) pension plans for the third quarter ending September 30, 2009 as follows:

- e) **Police:** This plan had \$1,927,644 in gains/net flows for the quarter with \$18,060,081 in ending market value and a 12% increase in earnings.

- f) **Salaried:** This plan had \$882,796 in gains/net flows for the quarter with \$7,442,212 in ending market value and a 13.5% increase in earnings.
- g) **Hourly:** This plan had \$676,584 in gains/net flows for the quarter with \$5,216,419 in ending market value and a 14.9% increase in earnings.
- h) **Commissioners:** This plan had \$21,114 in gains/net flows for the quarter with \$174,426 in ending market value and a 13.8% increase in earnings.

4. Mr. Conroy handed out illustrations from the Hartford, which showed the financial impact if the agreements with the Hartford were discontinued (see attached). Mr. Simon wondered whether there was any merit in discontinuing the agreements. Mr. Kraynik reminded everyone of the long-time strategy to run-out the Hartford program over many years.

5. Mr. Conroy distributed Account Rebalancing Worksheets ending October 28, 2009 (copies are attached). These worksheets showed performance improvement in each fund since the end of the second quarter.

6. Due to a lack of a quorum, it was referred to the Board of Commissioners the extension of the mandatory retirement of Police Chief John J. Norris to January 9, 2012, as recommended by the Township Manager.

There being no further business, the meeting was adjourned.



David G. Kraynik
Township Manager