

Roll Call: Present –Doug Worley, Thomas J. Anderson & Assoc., Mary Curtin, Leslie Huhn, Township Manager, Lou Mahlman, Chris Leidy, Molly Bender, Priscilla deLeon, Council Liaison (via Phone), Cathy Gorman, 11:04 a.m.

Cathy advised the Committee that since there were several members not available on the 13th we needed to reschedule for the 19th. It is customary to review the MMO prior to Council adoption, so the consensus was to reschedule before the Council meeting. Due to this change, Mr. Scott and Mr. Herb were unable to attend. Mr. Worley has come to introduce himself.

- 1) Thomas J Anderson Assoc. – Mr. Doug Worley - Mr. Worley handed out review of State Aid for 2017 and State Aid Unit value history. State Aid was expected to drop, but we had an increase. He said our actuarial assumptions were modified increasing our payment requirement; but if the investments outperform the assumption, it will ultimately get us a lower MMO. So far year to date as of August both plans are up 7.7 to 7.8%, which is really good. The Township has been on unit value allocation for a very long time. The question is if we put more money in the plans are we eventually going to lose state aid? The answer is absolutely not. The Non Uniform plan is at a surplus; the Police plan is not. You are looking at short falls in state funding for the next 5 to 10 years. We are not switching over to cost any time soon. In 2018, we should budget the current unit value going forward. It would not be wise to budget otherwise. Lowering your interest is the most expensive thing you can do and our plans are some of the lowest. The Township is really doing the right thing in adjusting the assumptions. If the market exceeds your assumptions, you will see a lowering of the MMO after the 2019 evaluations. He gives credit to those who made the decision for doing the right thing. Actuarial assumptions should be current to ensure the health of the plans.
- 2) Actuarial reports – Cathy provided the actuarial reports for 2017. They were used to determine the 2018 MMO's amounts. The actuary, Mr. Friedlander, will be filing the Act 205 reporting to the state in the early part of next year with what he has presented here. He has updated his PDF reporting to filter what information you want to see and if you have any questions, please let me know.
- 3) 2018 MMO - Cathy said she will be presenting the 2018 Minimum Municipal Obligation or MMO to Council. They know the increased financial requirements it obligates the Township to provide. When they approved the assumption change, they did so because they did not want to fall too far behind in the future. The Non Uniform MMO for 2018 is \$166,018 and the Uniformed is \$397,555. We still will be allocating the state aid pursuant to our policy. The amount given to each plan is paid to how many units are to the plan. Doug said he saw no problem as we owed more than the state aid provided for the total of both plans. The Township would just need to pay the difference. Cathy said she has the MMO's on Council's agenda for tomorrow night. Once approved Leslie will ratify as CAO.
- 4) Administration Fees - To date, we have reimbursed the Non Uniform Plan \$11,379.97 and the Uniformed Plan \$30,109.03.
- 5) COLAS - Cathy said there are two COLAS to be discussed. Retired Officer Jacoby is entitled to a 1.6% COLA increase and Officer Roxberry is entitled to 1.8%. COLAS are determined by the consumer price index at the month of retirement. Mary asked how the process is done. Doug Worley said that they initiate the paperwork explained and PSAB processes it. Cathy advised that she sends the officers' notice as well. She asked about the Non Uniform. Cathy said that Jack

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Cahalan and Rich Baran receive monthly payments. All the other retirees took lump sums.

- 6) Retirees - Cathy advised that Chief Guy Lesser has formally put in his notice and he will be retired as of September 22nd. Cathy said that the paperwork is in process and will be ready for signature when reviewed.
- 7) Settlements - None to report
- 8) Minutes - Minutes were approved

Next Meeting, Wednesday, March 13th 2018 at 11:00 a.m.; Meeting Adjourned 11:30 a.m.