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Lower Saucon Township  
Pension Advisory Committee Meeting

Meeting Minutes

December 11, 2013

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**Roll Call: Present** – Jack Cahalan, Township Manager, Cathy Gorman, Director of Finance, Priscilla deLeon, Council Liaison (via phone), Molly Bender, Chris Leidy, Mary Curtin, Lou Mahlman

**Absent: Joe Scott, PSAB**

**1. MRT Report-New plan advisor update**

Cathy said Joe Scott will send the November reports to me and I will forward them to you when I receive them. We did receive a notice from PSAB that our new investment consultant is Graystone Consulting, a business of Morgan Stanley.

Jack said can you explain why Merrill Lynch is no longer the investment firm for PSAB. Cathy said at the last meeting, Peter Butera advised us that Merrill Lynch has dropped all government pension plans. Jack said it wasn't based on performance. Cathy said correct. It was based on Merrill Lynch's corporate decision to get out of this type of financing. Cathy said it forced PSAB to go out for bid for new consultants. We were notified November 22, 2013 that Morgan Stanley would be handling all the accounts as of January 1, 2014.

Jack said will Joe Scott bring someone from Morgan Stanley to the March meeting. Cathy said Joe did offer to set up a meeting in January or February, but I felt it would be best to hold off until the March meeting.

Jack said will we get the same reports from Morgan Stanley. Tell Joe Scott that is what we would like to see because everyone is comfortable with the reporting. Mary said it is easy to read. Cathy said I will remind Mr. Scott of that.

**2. Financial Reports**

Cathy said we have been paying all of the administrative fees. We paid the MMO's for both the uniform and non uniform plans as of September 24, 2013. We have reimbursed the non uniform plan \$93,537.22 and the uniform plan \$291,889.03. It is itemized on the monthly statement by employee / employer contribution and delineates what portion of the MMO was paid by State aid and what portion was paid by the Township.

Jack said did we distribute this to everyone. Cathy said yes, via email.

Jack said it was sent by the PSAB Board of Trustees chair, Frank Cortazzo. He mentioned that the PSAB balanced account is up by 12.50% YTD through October 31, 2013 and the fixed account is holding stable at .79% YTD. That is good performance.

Jack said we are at an 18% increase and the Uniform Plan PSAB report is at 14.8% on the October statement. Cathy said we are exceeding our actuarial assumptions.

**3. COLA—G. Sfredda, G. Young and R. Jones**

Cathy said COLA increases are scheduled. Mary said what is it Cathy. Cathy said the max is 30%.

Cathy said Officer Sfredda is getting a 1.5% increase, which puts him at 24.5%. Officers Young and Jones are each getting a 1.1% increase. Officer Young will be at 7.6% and Officer Jones at 9%. I will forward the information we discussed to them. They will receive COLA increases when contractually required, but I wanted to get the COLA distributions to the Commission before actual distribution of those payments.

**4. Retirement—R. Baran**

Cathy said we were informed by Rich Baran of his intent to retire. He has been in Public Works for 26 years. He notified us within the appropriate time parameters to get the paperwork completed for an effective retirement date of February 1, 2014.

**5. Settlement filings**

None to report.

Cathy said on another note, the Act 44 disclosure forms are updated and posted on the website. The forms are required by the State. They are for anyone who handles our pension plans and are an ethical standards form.

Priscilla said thank you to everyone for the year we had. All of us are volunteers and I thank you for taking the time.

**6. Approval of September 11, 2013, meeting minutes--All in favor.**

**7. Adjournment: Meeting adjourned at 11:12am**

**8. Next Meeting: March 12, 2014 @ 11:00 am**