

A regular meeting of the **PENSION BOARD** for May 2022 was held today via web-conference, Commissioner Daniel B. Norris presiding. Present was Commissioner Rappoport.

Staff members present were Danielle Pearson, Director of Fiscal Affairs, and Heather Samuels, Director of Human Resources. Also in attendance was Alex Goldsmith, Senior Management Consultant, PFM Asset Management, LLC.

Mr. Norris called the meeting of the Pension Board to order at 8:01 A.M.

1. Mr Goldsmith reviewed the current stock market. This volatility is common with stocks but we haven't seen a day of this magnitude since 2020. These days are to be expected over time. Could be a reaction to the FED with the rate hike of 50 basis points. Stock surged on expected news, and then there was deflation news the next day.
2. Mr. Goldsmith reviewed the overall economic data and provided a performance analysis of the market conditions for the Quarter Ended March 31, 2022. Highlights of his presentation are as follows:
  - S&P down 4.5%
  - Growth between large and small caps under performed for the quarter. In previous years growth outperformed value, but this quarter they took a huge hit.
  - International markets down 5.44%.
  - Emerging markets down approximately 7%
  - Fixed income is down 6%
  - High yield is down 4.8%.
  - The floating bank loans are the only one close to breaking even; they are down .10%.
  - The GDP chart came in as a negative figure due to government spending.
  - As of 2 days ago, May 4<sup>th</sup>, 2022-
    - Us Stocks down 10%
    - International down 12.3%
    - Fixed income down 9.5%

Inflation and inventories continue to stay at the forefront of the consumers minds. Unemployment is staying around 3.6%. Commissioner Norris asked, if Mr. Goldsmith or PFM recommends changes on the bond side? Mr. Goldsmith stated not right now. Even though there was a decline, we have recovered, and saw such high gains in previous periods. The floating rate bank loan was added in mid January and we have used this strategy in previous years when rates were expected to rise.

3. Mr. Goldsmith reported on the specific performance of all four (4) pension plans for the 4th Quarter of 2021 as follows:
  - **Police:** The police plan is still healthy and doing well. Currently sitting at 54 million. One year ago the balance was sitting at 48 million. There was a gain even with payouts and investment loss. Commissioner Rappoport was concerned with future volatility. Mr. Goldsmith recommends no change and to keep watching and see where it lands after quarter 2.
  - **Salaried:** Currently is sitting at 23.6 millions. It is slightly down. The plan started the year at 25.2 millions. However, it is still up from last year where it sat at 22.9 million. It has a similar asset allocation as the police plan. Commissioner Rappoport inquired about considering real estate. Mr. Goldsmith explained that even though real estate has done really well recently, it is partially due to being in a recovery period, and it is traded in a broad market. Commissioner Norris inquired about targeting a particular industry and expressed not trying to time the market. Mr. Goldsmith recommends no changes.
  - **Hourly:** The overall plan saw an increase from last year. This year the investment is at 17.6 compared to last year when it was at 17.1 millions. It too took a hit the first quarter. Mr. Goldsmith recommended no change to the hourly plan as well.

- **Commissioners:** The plan is in good shape. The plan is to dissolve the commissioners plan. Commissioner Norris asked Ms. Pearson to look into the process of closing out the plan.
4. Old Business – None
  5. New Business
    - a. Mr. Goldsmith and Ms. Pearson are going to work on consolidating the 3<sup>rd</sup> party pension payment process. Currently, there is no portal for retirees, and the process is lengthy and not efficient. Mr. Goldsmith is going to reach out to Ms. O’Conner at US bank. The process will take about 5-6 months.
  6. There being no further business, upon the motion of Mr. Norris, the meeting was adjourned at 8:50 am.



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Robert Zienkowski  
Township Manager

Per:  
Danielle Pearson  
Director of Fiscal Affairs

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