

**BOROUGH OF CLARKS SUMMIT
POLICE PENSION BOARD MEETING
AUGUST 21, 2019 4:00 PM**

The quarterly meeting of the Police Pension Board was held on Wednesday, August 21, 2019, in Council Chambers, 304 South State Street, Clarks Summit, Pennsylvania at approximately 4:11pm. In attendance were Mr. Robert Shedlock, Mr. Frank Besten, Ms. Gerrie Carey and Mr. Kevin Yetkowskas.

CALL TO ORDER:

APPROVAL OF THE AGENDA:

Gerrie Carey made the first motion to approve the agenda, seconded by Kevin Yetkowskas, vote was unanimous.

APPROVAL OF THE MINUTES:

- **May 7, 2019:** Kevin Yetkowskas made the first motion to approve the minutes, seconded by Frank Besten, vote was unanimous.

OLD BUSINESS:

- a. **Review 2019 2nd quarter performance:** Mr. Williamson reviewed the capital markets review and commentary. Through June 30, 2019, discussed the market review and the economic review. Also benchmark definitions for asset classes are represented by indexes. Frank Besten said when the interest rates go down like they are doing now does that help or hurt the fund. Mr. Williamson stated that when the interest rates go down, the bond market principal goes up. The pension portfolio summary update is beginning value 12/31/2018 \$2,020,335 net additions positive or negative for the period was at -33,095. The subtotal was \$1,987,240. The net investment for the quarter was \$185,796 and the ending value through 6/30/2019 was \$2,173,036, with a net return of 9.27%. The current portfolio value on this date is \$2,169,100 with a net portfolio return of 9.15%. They have hit their actuarial assumption. They have to hang onto it and make sure they keep it through the year. Mr. Williamson reviewed the portfolio performance review as of June 30, 2019. They reviewed the asset allocation by asset class. They move a little bit more money into the international equity account. They reviewed that asset allocation by asset style which breaks it down to individual sub accounts. The portfolio evaluation by asset style takes the large cap domestic, international, mid cap, small cap, and alternatives and it breaks them down. There are no minuses in the unrealized gain. The portfolio performance by holdings breaks out the quarter to date return and the year to date return. The portfolio income report breaks down the dividends and interest. That generated \$21,379.

NEW BUSINESS:

Mr. Williamson stated that Conrad Segal's actuarial evaluation shows historical evaluations. 1/1/2015 compared to 1/1/2019 the UAAL went from \$594,000 to \$200,191 that is a \$394,000 reduction. That also includes us adopting the new public mortality tables, which is a

good thing because they got it in at the right time. So it wouldn't cause the plan any adverse jump in cost. The new MMO funding comparison and the state aid to the borough looks to be between \$79,000-\$83,000 net. Next year that is gone in 2020. The new gross funding requirements \$75,799 with employee contributions of 5% it \$18,885, the MMO balance is \$56,914, the state aid which we are not sure of yet but estimate at \$89,003. The MMO will potentially be at zero for 2020. Frank Besten stated that he would like to bring this to the next Council meeting.

PUBLIC COMMENT/INPUT:

EXECUTIVE SESSIONS:

- a. **Prior**
- b. **During**
- c. **Subsequent**

ADJOURNMENT:

Frank Besten made the first motion to adjourn, seconded by Gerrie Carey, vote was unanimous.