# Borough of Bryn Athyn Finance Committee Meeting Minutes

January 21, 2020 6:00pm

In attendance: Duane Hyatt, Chair

Vikki Trost Glenn Gurney Chris Carter Jeff Elsing Raymond Doman, Guest Joseph Duda, Guest

The meeting was called to order by Chairman Duane Hyatt at 6:00pm.

# **Minutes**

The Committee approved the November 19, 2019 meeting minutes.

#### **Police Pension**

Joe Duda reported on the draft Actuarial Valuation (AV) report for 1/1/2019 which is prepared every two years on the odd numbered year. The AV report includes normal cost of retirement benefits, administrative expenses, actuarial value of assets and the unfunded actuarial liability for the pension plan. The current AV report shows that the pension fund is slightly overfunded by \$144,343. The AV report is also used to calculate the Minimum Municipal Obligation, the required annual municipal contribution to the plan. The MMO is offset by PA State Aid which the Borough receives every year. Joe indicated that the Borough should receive \$10,200 per police officer in State Aid this year. (The PA State Aid is based on the number of full-time police officers as of July 1 of each year. The Borough receives two units of State Aid per full-time officer; the value of the units is determined by the state every year based on the amount of taxes the state receives on fire insurance sold to PA residents from companies in other states.)

Mr. Duda noted that the pension plan is in a great position right now. The plan was overfunded by \$52,000 in 2018 and that increased to \$144,343 in 2019. (Note: In 2010 the pension plan was considered "distressed" by the PA Employment Commission. In 2016, the distress level was removed because the Borough voluntarily increased their annual contribution to the plan.)

The Committee reviewed the 12/31/2019 Vanguard statement showing a current value of the pension fund of \$2,573.892.12. It was noted that the asset mix is 86% Stocks and 14% Money Market funds. The Pension Committee will need to look at the asset mix; it was noted that now is not a good time to look at annuities.

vst 1/30/2020 1

Mr. Duda recommended that the Committee consider lowering the interest rate from 7% to 6%. Lowering the interest rate to 6% would serve to increase the Normal Cost and Actuarial Accrued Liability which would require more money go into the plan and we would get more state aid. Mr. Hyatt noted that we have been contributing additional funds to the plan over the past years anyway. Mr. Hyatt made a motion to change the Plan interest rate from 7% to 6% as recommended by Mr. Duda. Chris Carter seconded the motion and the Committee voted unanimously in favor to lower the interest rate from 7% to 6% for the 1/1/2019 Actuarial Valuation.

Mr. Hyatt noted that the Pension Committee should meet separately to review the pension annually.

Joe Duda reminded Vikki Trost that the Act 205 report is due March 31, 2020.

## **Water Shut-Off Ordinance**

It was reported that Borough Council adopted the Ordinance to shut-off water for seriously delinquent sewer accounts. A notice will be sent to all users with the first quarter sewer bills.

## **Sewer Billing**

Chris Carter reported that he spoke with Bill Brown about the new billing calculation. He asked Mr. Brown about other factors in the calculation. Mr. Carter will provide an update at the next meeting.

# 2020 Budget - Health Insurance

Mr. Carter asked if the discussion about the health insurance plan offered to full-time employees was finished. Mr. Hyatt noted that the committee can look further into the Delaware Valley Insurance Trust (DVIT) plan. Vikki Trost will distribute the DVIT comparison to members of the committee.

The meeting was adjourned at 6:55pm.

#### For the next meeting:

- 1. Chris Carter will report on the sewer billing progress.
- 2. Vikki will distribute the DVIT Health Insurance comparison to the committee.
- 3. Vikki will send a reminder to the committee regarding the next meeting on the Friday prior to the meeting.

Next meeting date: February 18, 2020 at 6:00pm in Borough Hall.

vst 1/30/2020 2