

RESOLUTION NO. 2650

**EAST NORRITON TOWNSHIP
MONTGOMERY COUNTY, PENNSYLVANIA**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF
EAST NORRITON TOWNSHIP APPROVING A FORMAL PLAN FOR
ADMINISTRATIVE IMPROVEMENT UNDER ACT 205 OF 1984**

WHEREAS, Act 205 of 1984 requires the Public Employee Retirement Commission to make biennial distress determinations for all municipalities; and

WHEREAS, the results of the 2014 distress determination for East Norriton Township is a Total Distressed Score of Level 2 of the Recovery Program for municipal pension plans established by Chapter 6 of Act 205; and

WHEREAS, based on East Norriton Township's Distress Score of Level 2, there are mandatory remedies that must be implemented which include an Aggregation of Trust Funds and a Plan for Administrative Improvement.

NOW, THEREFORE, BE IT RESOLVED, that the East Norriton Township Board of Supervisors approves the attached East Norriton Township Plan for Administrative Improvement Under Act 205, Section 607(i) dated November 18, 2014.

RESOLVED AND ADOPTED by the Board of Supervisors of East Norriton Township on this 18th day of November, 2014.

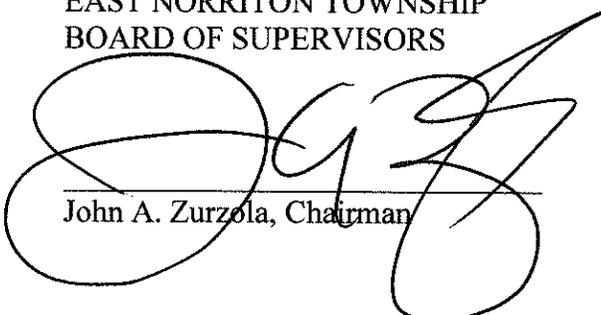


ATTEST:



Donald D. Delamater, Secretary

EAST NORRITON TOWNSHIP
BOARD OF SUPERVISORS



John A. Zurzola, Chairman



EAST NORRITON TOWNSHIP

2501 Stanbridge Street, East Norriton, PA 19401-1616 U.S.A.

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BOARD OF SUPERVISORS

John A. Zurzola
Chairman

Harris A. Dainoff
Vice Chairman

Marc A. Alfarano
Supervisor

Tina Howell
Supervisor

Angelina Salamone
Supervisor

Township Manager
Donald D. Delamater

Aggregation of Trust Funds

November 18th, 2014

East Norriton Township continues to have an aggregation of trust funds for their pension plans. East Norriton Township has one pension board (East Norriton Township Retirement Advisory Board) and both plans non-uniformed and uniformed have the same portfolio allocation investments made for the respective plans by the same investment advisor.

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EAST NORRITON TOWNSHIP

Plan for Administrative Improvement Under Act 205, Section 607(i)

November 18th, 2014

- A. East Norriton Township has established a Pension Board (Retirement Benefits Advisory Board) for Management of Plan Assets
 1. The East Norriton Township Retirement Benefits Advisory Board is an aggregated board under 607 (b) of Act 205
 2. East Norriton Township Board of Supervisors assigns these responsibilities to the current Retirement Benefits Advisory Board
- B. The East Norriton Township Retirement Benefits Advisory Board will perform the following functions:
 1. Review and evaluate the investment manager and actuary
 2. Review and evaluate the custodian of the pension funds
 3. Adopt an "investment policy" with appropriate asset allocation, using a variety of diversified asset classes
 4. Set appropriate benchmarks to evaluate the investment manager
 5. Require the investment manager to disclose all explicit and implicit expenses. The Board will compare these expenses to prevailing expenses.
 6. The Retirement Benefits Advisory Committee will meet twice per year with the investment manager to:
 - a. Review prior year investment results and compare to benchmarks
 - b. Review historical investment results and compare to benchmarks
 - c. Reaffirm or revise investment policy
 - d. Administer the Post-Retirement Health insurance Fund
 - e. Provide recommendations pertinent to the award of any pension or retirement health insurance benefit to any applicant or participant
 - f. Provide guidance to investment manager for the investment of all monies deposited in such funds
 - g. Employ upon approval of the Board of Supervisors and compensate the investment manager, actuary and legal counsel as it may deem necessary to carry out its duties
 - h. Review and recommend any changes to the Board of Supervisors in the pension benefit or post-retirement health insurance benefit structure
 - i. Review and exchange information regarding new pension legislation applicable to pension plans

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East Norriton Township

- j. Review the pension eligibility status of the Township's Uniformed and Non-Uniformed Employees
 - k. Recommend policies and procedures to the Board of Supervisors relating to any conflict of interest in a third party transaction
- C. The Investment Manager will perform the following additional functions:
- 1. Compare long term returns with actuarial interest rate assumption.
 - 2. Discuss with Retirement Benefit Advisory Board the probability that the current assumption can be met over the next 15 to 20 years
 - 3. Develop and maintain Investment Policy Statement
 - 4. Monitor Investments
 - 5. Recommend changes in asset allocation levels, diversification levels, and investment options when appropriate
 - 6. Provide annual comprehensive portfolio review report
 - 7. Process and review benefit disbursements
- D. Cash Flow Requirements:
- 1. The Retirement Benefits Advisory Board will have the actuary provide a twenty (20) year projection of the benefit payments from the plan. This will be given to the investment manager so that these distributions can be factored into the selection of the plan investment.
- E. Timely Deposits of Plan Contributions:
- 1. East Norriton Township will set a standard of timely deposits of member contributions to the plan.
 - a. Deposits will be made monthly with deposits made within 15 days after the end of the month in which the contributions are withheld
 - 2. General Municipal Pension System State Aid must be deposited within 30 days of receipt.