

**PENSION COMMITTEE MEETING
MINUTES
FEBRUARY 14, 2001**

The regular meeting of the West Goshen Township Pension Committee was held on Wednesday, February 14, 2001, at 8:00 a.m. at the West Goshen Township Administration Building. Present at the meeting were Peter C. Anderson, Jacob Bowman, Joseph E. Burt, Jeanne M. Denham, Gary S. Hess, William R. Keenan, Sharon Lynn, John M. Scott, Richard Weinstein, and Dr. Robert S. White. Mike Cosack, of Spagnola-Cosack, Inc. was also in attendance.

The meeting was called to order by Chairman Weinstein at 8:20 a.m.

Mr. Cosack remarked that returns of value funds lead those of growth managers in 2000 while prior to last year, growth type stocks outperformed value funds. He further advised bonds produced approximately 11% in returns during 2000, while the last quarter of 2000 showed approximately 22% growth in large cap managers. Diversification of each of the township's pension funds helped the performance level during 2000. The economy for the past year shows growth slightly stalled while unemployment remains low at 4%. Interest rates continue at a low, and economic indicators are headed in a negative decline.

In the Police Pension Fund, Miller Anderson produced a good return compared to other managers but still under performed in respect to their benchmark. There is a slight over weighting with Morgan Stanley at 25% compared to Vanguard, but this is still in compliance with the 2:1 ratio as stated in the investment policy. The changeover to Vanguard produced a good positive balance, which did not decrease the index too much, and Aetna's 6.62% rate of return was a bit better compared to other insurance company indexes.

With respect to Miller Anderson's underperformance, Mr. Cosack questioned whether the committee would prefer a special meeting to address this or whether they preferred the next meeting. Mr. Weinstein thought it would be prudent to wait until the next regular meeting since there was not any immediate danger. Mr. Cosack agreed and stated that he would prepare recommendations to replace Miller Anderson at the next meeting.

In reviewing the non-uniformed pension plans Mr. Cosack noted that due to different asset allocations in both the Administrative and Roads Pension Fund and the Sewer Pension Fund, there was an increase in returns because of a greater proportion of funds in fixed income. The funds showed a positive return for the year.

Mr. Cosack recommended moving an additional amount in excess of the buffer to allocate to different managers and stated he will search for a fixed income manager for both non-uniform funds.

Mr. Weinstein asked Mr. Cosack's opinion to reallocate funds between different value managers. Since the funds were not too far off their target ranges, Mr. Cosack advised against reallocating a small amount, which would not make much difference at this time.

Mr. Burt asked Mr. Cosack what the yearly performance of mid-cap growth funds showed since the last quarter of these were so poor. Mr. Cosack advised that he would get back to the committee on this in a prepared memorandum to Ms. Lynn.

Mr. Weinstein informed the committee that as a whole the year's performance was fairly decent due to good asset allocation and the decision to remain conservative in changing managers.

The meeting was adjourned at 9:15 a.m. The next meeting was scheduled for May 17, 2001, at 8:00 a.m.

Respectfully submitted,

Sharon Lynn
Township Secretary