

**SPRINGETTSBURY TOWNSHIP
FIRE PENSION BOARD**

**NOVEMBER 5, 2008
APPROVED**

The Fire Pension Board of Springettsbury Township held a meeting on Wednesday, November 5, 2008 at 12:40 p.m. at the Township Offices located at 1501 Mt. Zion Road, York, PA.

MEMBERS

IN ATTENDANCE: George Dvoryak, Chairman
Nick Gurreri, Vice Chairman
Bill Schenck
Don Bishop
Mike Bowman

ALSO IN

ATTENDANCE: John Holman, Township Manager/Secretary
George Mount, Fire Department Representative
Richard Diem, Fulton Financial
Annette Hose, Fulton Financial
Jean Abreght, Stenographer

A. Call to Order

DVORYAK Chairman Dvoryak called the meeting of the Fire Pension Board to order. He asked Mr. Holman whether a Quorum was present.

HOLMAN Mr. Holman responded that a Quorum was present.

B. Action on Minutes

1. August 28, 2008 Fire Pension Board Meeting

MR. SCHENCK MOVED TO APPROVE MINUTES OF THE AUGUST 28, 2008 FIRE PENSION BOARD. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

C. Public Comment

There was no public comment.

D. Correspondence and Communications.

- 1. Acknowledge Receipt of Fulton Financial Report for August 2008**
- 2. Acknowledge Receipt of Fulton Financial Report for September 2008.**
- 3. Acknowledge Receipt of Fulton Financial Second Quarter Report for the Period April 1, 2008 through June 30, 2008.**
- 4. Acknowledge Receipt of Fulton Financial Third Quarter Report for the Period July 1, 2008 through September 30, 2008.**
- 5. Acknowledge Payment of MMO from Springettsbury Township General Fund to Fire Pension Fund in the Amount of \$207,429.00**
- 6. Acknowledge Receipt of Payroll Contribution Reconciliation Report.**

MR. BOWMAN MOVED TO ACKNOWLEDGE RECEIPT OF CORRESPONDENCE AND COMMUNICATIONS NUMBERS 1 THROUGH 6 AS LISTED ON THE AGENDA. MR. BISHOP WAS SECOND. MOTION UNANIMOUSLY CARRIED.

E. Reports from Financial Advisors

A. Fulton Financial.

DVORYAK Chairman Dvoryak asked for the report from Fulton Financial.

HOSE Annette Hose, Fulton Financial Relationship Manager, reviewed the Firemen Pension accounting. She reported that the Market Value as of July 1, 2008 was \$2,501,991.53. Receipts of Contributions from the Firefighters amounted to \$10,389.22. An MMO was paid out to the plan; however, that was done on October 10, 2008 and was not reflected in this allocation. Investment Income was \$1,436.18. Realized Loss was \$6,349.19 and an Unrealized Loss of \$158,241.07. Disbursements for the quarter were Pension Payments of \$32,391.09; Trustee Management Fee \$3,783.54. Market Value for the portfolio as of September 30, 2008 was \$2,313,052.04.

DIEM Richard Diem, Fulton Financial Portfolio Manager, provided a report of the portfolio status. He reported that the economic conditions continue to suggest caution before getting back into cash investments especially with a comparison of the drop in valuation of the stocks in the market with the gross domestic product. Mr. Diem had provided a chart showing market high and low points using an algorithmic scale since 1920, which indicated that the economy is in line with the averages since that time. The world economy and credit spreads continue to be carefully reviewed before making new investments.

Mr. Diem reported on the portfolio which valued at \$2,234,764 with about 12.6% in cash, 55% in fixed, and 32% in equities in what the investment policy statement allows. The money market yielded .85% due to the Federal Reserve cut in interest rates. The current rate was down to 1% in order to stimulate the economy. More money is invested in Treasuries, which is a very safe investment but does not have a great yield. Fixed Income yielded 4.92%, as compared with a 10-year Treasury yield of about 3.85%. Equity holdings allocation includes 36% in retirement common stock; International exposure 1.48% with the Eaton Vance and Harbor developing emerging markets pulled down performance for the quarter. Small cap value is 5% and large cap value is 29.37%. Principal mid cap is 10%, which is the tactical allocation used at Fulton.

Mr. Diem reviewed the performance for the quarter, which was slightly behind the benchmark. The account rate of return for the quarter was -6.59%. Benchmark of 45% S&P, 50% bonds, 5% cash was -4.34%. For one year the result was -9.25% with a benchmark of -8.2%. For a three-year period the performance was ahead 2.84% versus 2.31%, and since inception (12/31/04), it was 2.9% versus 2.33%,

about .6% per year over that time. The reason for underperformance in the third quarter related to total equities which were -12.05% versus the S&P 500 at 8.37%. Equities in the account took down performance, but a review of the longer term the tactical allocation and holdings had been outperforming the S&P 500. One area that especially hurt the performance was the International. Large cap growth was -12% in line with its benchmark. Large cap value, MFS, was -6.67% slightly better than the market and in line with its benchmark. Midcap as a group underperformed the S&P 500. The fund principal was off slightly -11.96% versus 10.85% of the index. The one area of the market that did better than the market as a whole was the small cap, and that was -1.08% versus the benchmark of 1.12%. The International part of the market produced very poor results. Eaton Vance was -22% versus the benchmark at -26.95%. Harbor was -20.91 versus the benchmark -20.56%. Overall the equities underperformed the benchmark S&P 500. Fixed income was -2.32% versus -1.19% benchmark. One item that hurt performance related to the Lehman bond in the portfolio. The company went bankrupt as part of the government's inconsistent bailout package. In addition, Treasuries were light. Cash was +.39% versus .43%. Within the Retirement Fixed Income fund, assets will be transferred over to Federated, the mutual fund company. Assets will be rolled into one of their bond mutual funds, probably with the Federated total return. Therefore, there will be a mutual fund instead of a common fund.

BOWMAN Mr. Bowman noted that since inception, the equities are ahead of the index. In the past year the figures indicated a significant drop. He asked whether that included more aggressive funds.

DIEM Mr. Diem responded that within the small cap area there will be more volatility than the S&P500 as a whole. He thought that was part of the reason that the fund outperformed over the longer term. As far as managing performance relative to the S&P, a combination of the funds outperforming their indices and also just being the right tactical allocation over the long term helped. Basically, small cap and international have helped the portfolio over the long term.

DVORYAK Mr. Dvoryak asked whether Mr. Diem had results of the fund for October.

DIEM Mr. Diem responded that the overall account was -8.94% and the equity benchmark was -16.8% for the S&P. Lehman Brothers intermediate was -1.37%.

Mr. Diem noted the Morningstar fact sheets included in the report provided where the Board could review any particular fund performance, expense ratios or holdings.

Mr. Diem stated that he had been reviewing adding a new fund to the holdings, Rydex Managed Features Fund, which has exposure to commodities and financials. The fund has a very good long-term performance record, but is less volatile than the equity market. In addition it is not correlated with the equity or fixed income market, which provides for good diversification in the portfolio.

- BISHOP** Mr. Bishop stated that it was important to review the investment policy very carefully in order to avoid getting into derivatives, futures and commodities.
- DIEM** Mr. Diem responded that he would double-check to be sure that everything would adhere to the policy statement and the spirit of the policy. He indicated that another asset that is being considered for inclusion in the portfolio is a fund from Renaissance, which has a great track record. This would be a structured way to get International exposure with lower expense ratios than a mutual fund.
- BISHOP** Mr. Bishop asked with those particular investments, such as ADR, whether Mr. Diem would consider that to be International or U.S.
- DIEM** Mr. Diem responded that he considered it International exposure to a portfolio.
- BISHOP** Mr. Bishop indicated that was one of the areas that the Board needed to review in the policy. He added that he was not discouraging Mr. Diem from doing what he proposed, but rather just making certain that he was clear about it in his mind.

B. Tom Zimmerman, Actuary

ZIMMERMAN Tom Zimmerman, Actuary, Conrad Siegel stated that he would not review the same background as he had during the Police Pension Board review. The return through November 4, 2008 in a best case scenario was -10 to -25. Using -10 return for this year, it will add \$40,000 to the Pension Fund cost. Worse case adding approximately \$80,000 to the future costs. If it stays the same, flat through the end of this year, about \$55,000. For reference, the 2009 cost is \$200,000. The number 40 to 55 would be \$80,000 to \$200,000.

DVORYAK Chairman Dvoryak recalled that the actuarial long-term assumption was approximately 7%.

ZIMMERMAN Mr. Zimmerman responded that it is 6.5%.

DVORYAK Chairman Dvoryak asked how the Board could plan a decision for the future based on the returns of this date, with regard to the long-term assumption versus the decision made several years ago.

ZIMMERMAN Mr. Zimmerman responded that the assumptions are very long term. Although the assumption of 6.5% might seem high, within the next few years there will be a better return. Over 80 years the stock market returns over 10% on average. Historically the 6.5% to 7.5% assumption has been conservative.

SCHENCK Mr. Schenck asked what the general unfunded number is.

ZIMMERMAN Mr. Zimmerman responded that unfunded for the fire was \$900,000. With the investment losses they are looking at adding \$500,000 more unfunded to that.

SCHENCK Mr. Schenck questioned, as a Board member, where should there be cause for concern when discussing unfunded liabilities.

ZIMMERMAN Mr. Zimmerman responded that the liabilities to only have meaning when it relates to the contribution. If a contribution increase of 20 to 40% in these plans gives cause for concern, that's up to the township. The unfunded liability number by itself is a frightful number but it is only relevant in how it affects the cost.

HOLMAN Mr. Holman commented that when the market does well, the unfunded liability comes down.

F. Old Business

1. Discussion of Investment Policy.

This discussion was deferred until the next meeting.

G. Committee Motions

1. Acknowledge Payment to Conrad Siegel Actuaries for Actuarial services from October 1, 2007 through August 31, 2008 as listed on invoice #S907:20081751 dated 9/18/08.

MR. BISHOP MOVED TO ACKNOWLEDGE PAYMENT TO CONRAD SIEGEL FOR \$2,680.00. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

H. Adjournment

DVORYAK Chairman Dvoryak asked for any further business to come before the Board. Hearing none, he adjourned the meeting at 12:55 p.m.

Respectfully submitted,

John Holman
Secretary

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**SPRINGETTSBURY TOWNSHIP
FIRE PENSION BOARD**

**AUGUST 28, 2008
APPROVED**

The Fire Pension Board of Springettsbury Township held a meeting on Thursday, August 28, 2008, at 6 p.m. at the Township Offices located at 1501 Mt. Zion Road, York, PA.

MEMBERS IN

ATTENDANCE: George Dvoryak, Chairman
Nick Gurreri, Vice Chairman
Don Bishop
Bill Schenck
Mike Bowman

ALSO IN

ATTENDANCE: John Holman, Township Manager
George Carpenter, YAUFR
George Mount, YAUFR
Annette Hose, Fulton Financial
Richard Diem, Fulton Financial
Jean Abreght, Stenographer

A. Call to Order

DVORYAK Chairman Dvoryak called the meeting to order at 6:05 p.m. He asked Mr. Holman whether a Quorum was present.

HOLMAN Mr. Holman responded that a Quorum was present with five members.

B. Action on Minutes

1. May 8, 2008 Fire Pension Board

MR. GURRERI MOVED FOR APPROVAL OF MINUTES OF THE MAY 8, 2008 MEETING. MR. BISHOP WAS SECOND. MOTION CARRIED. MESSRS. DVORYAK AND BOWMAN ABSTAINED AS THEY WERE NOT PRESENT.

C. Public Comment

There was no public comment.

D. Correspondence and Other Communications

- 1. Acknowledge Receipt of Fulton Financial Quarterly Report for the Period January 2008 through March 31, 2008.**
- 2. Acknowledge Receipt of Fulton Financial Report for April 2008.**
- 3. Acknowledge Receipt of Fulton Financial Report for May 2008.**
- 4. Acknowledge Receipt of Fulton Financial Report for June 2008.**
- 5. Acknowledge Receipt of Fulton Financial Report for July 2008.**

6. Acknowledge Receipt of Payroll Contribution Reconciliation Report.

MR. GURRERI MOVED TO ACKNOWLEDGE RECEIPT OF CORRESPONDENCE AND OTHER COMMUNICATIONS 1 THROUGH 6. MR SCHENCK WAS SECOND. MOTION UNANIMOUSLY CARRIED.

E. Reports from Financial Advisors

HOSE Annette Hose of Fulton Financial provided a review of the accounting and cash flow for the quarter. The Market Value as of 4/1/08 was \$2,550,659.11. Employee contributions for the quarter were \$9,385.69 and investment income was \$1,435.47. Realized and unrealized losses for the quarter were \$23,217.32. Total Disbursements for the quarter included pension payments of \$32,391.09. The management fee was \$3,880.33, which indicated the portfolio as of June 30, 2008 totaled \$2,501,991.53.

DIEM Mr. Richard Diem provided a review of the portfolio. He reviewed the total value of the portfolio which was \$2,479,905 as of August 18, 2008. The cash equivalents are about \$92,000, which was 3.89% of the cost. Fixed income is 52% of the portfolio or about \$1.29 million and equities are 44% of the portfolio at \$1.095 million. Mr. Diem reviewed the money market position, which was kept low for liquidity purposes with a yield of 1.92%. They expect that yield to remain at 1.9% for awhile since the Federal Reserve probably will not raise rates at least through the end of this year. Mr. Diem reviewed the fixed income holdings in the portfolio of about \$1.291 million. The yield on the market is 4.92%. The portfolio is about a third in corporate bonds, two-thirds in government agencies and treasuries, which is considered conservative. Although it was slightly short to the benchmark, it is anticipated that it will do better if interest rates rise. 10-year Treasuries are at 3.9%, which is about a percentage point higher. Return in the common stock fund is 37% of the equity portfolio. He reviewed the equity mutual fund results, which included the Eaton Vance, Harbor International, Loomis Sayles, MFS Value and Vanguard. They anticipate moving the Vanguard into the Principal Mid Cap Fund which has shown better results than the Index Fund. Mr. Diem had provided a separate report of the Investment Performance Analysis as of June 30, 2008. Equities included 44% of the portfolio some of which were negative to the benchmark. He reviewed the fixed income as well, which was 52% of the portfolio, which showed the quarterly results -1.22% vs. a benchmark of -1.53%. A longer-term overview of the results showed slightly behind at 6.73% vs. the benchmark of 7.37%; over a three-year period 4.25% vs. 4.27% and since inception 3.93% vs. 4.93%. The Goldman Sachs Money Market equities, at 4% of the asset allocation resulted in a .47% result vs. a benchmark of .40%.

SCHENCK Mr. Schenck asked about the fixed income graph, which looked ahead one year. He asked whether that was a different index than what was shown on the individual statement.

DIEM Mr. Diem responded that it was slightly different. The one-year forecast shows the results ahead as far as the Retirement Fixed Income. Lehman Brothers is a bit behind that index for the quarter.

SCHENCK Mr. Schenck commented that it was based on actual numbers in the plan in the specific category. Unless there was historical data of where the money was placed at the time, it would not necessarily be known.

DIEM Mr. Diem responded that he was correct; it is product oriented. He added that as long as he had been working with it, there had been a Fixed Income fund.

SCHENCK Mr. Schenck noted that it seemed that the performance was less than the advertising in Fulton's fund. He asked if he was reading it incorrectly.

DIEM Mr. Diem responded that he thought Mr. Schenck was reading it correctly and was not sure why there would be any difference.

SCHENCK Mr. Schenck asked if he would review that and get back to the Board on it.

DIEM Mr. Diem responded that he would be happy to do so.

HOLMAN Mr. Holman indicated he would provide that information to the Board.

DIEM Mr. Diem stated that the numbers in the presentation itself are accurate for the account. He will review whether they are showing incorrect numbers with the advertising piece.

F. Old Business

GURRERI Mr. Gurreri understood that the Actuary would be present during this meeting.

HOLMAN Mr. Holman responded that the Actuary will be present during the November meeting.

G. Committee Motions

- 1. Acknowledge Receipt of Deferred Vested Benefit Calculation for James R. Kimes, Jr. and Effective Date of Benefit of July 1, 2009 in the Amount of \$2,266.26.**

**SPRINGETTSBURY TOWNSHIP
FIRE PENSION BOARD**

**AUGUST 28, 2008
APPROVED**

MR. SCHENCK MOVED TO ACKNOWLEDGE RECEIPT OF THE DEFERRED VESTED BENEFIT CALCULATION FOR MR. JIM KIMES AND EFFECTIVE DATE OF BENEFIT OF JULY 1, 2009 IN THE AMOUNT OF \$2,266.26. MR. GURRERI WAS SECOND. MOTION UNANIMOUSLY CARRIED.

H. Adjournment

DVORYAK Chairman Dvoryak adjourned the meeting at 6:30 p.m.

Respectfully submitted,

John Holman
Secretary

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**SPRINGETTSBURY TOWNSHIP
POLICE PENSION BOARD**

**MAY 8, 2008
APPROVED**

A meeting of the Police Pension Board of Springettsbury Township was held on Thursday, May 8, 2008 at 5:00 p.m. at the Township Offices located at 1501 Mt. Zion Road, York, PA.

MEMBERS IN

ATTENDANCE: Nick Gurreri, Vice Chairman
Don Bishop
Bill Schenck
Gary Utter, Police Department

MEMBERS NOT

IN ATTENDANCE: George Dvoryak, Chairman
Mike Bowman

ALSO IN

ATTENDANCE: John Holman, Township Manager/Secretary
Joe Paese, F.N.B. Wealth Management
Richard Diem, Fulton Financial
Annette Hose, Fulton Financial
Jean Abreght, Stenographer

A. Call to Order

GURRERI Vice Chairman Nick Gurreri called the meeting to order at 5 p.m. He stated that a Quorum was present.

B. Action on Minutes

1. February 14, 2008 Police Pension Board Meeting

MR. SCHENCK MOVED TO APPROVE MINUTES OF THE FEBRUARY 14, 2008 POLICE PENSION BOARD MEETING. MR. BISHOP WAS SECOND. MOTION CARRIED. MR. GURRERI ABSTAINED AS HE WAS NOT PRESENT AT THE MEETING.

C. Public Comment

There was no public comment.

D. Correspondence and Other Communications

- 1. Acknowledge Receipt of Fulton Trust Company Report of January 2008.**
- 2. Acknowledge Receipt of Fulton Trust Company Report of February 2008.**
- 3. Acknowledge Receipt of Fulton Trust Company Report of March 2008.**
- 4. Acknowledge Receipt of F.N.B. Wealth Management Report for January 2008.**
- 5. Acknowledge Receipt of F.N.B. Wealth Management Report for February 2008.**

6. **Acknowledge Receipt of F.N.B. Wealth Management Report for March 2008.**
7. **Acknowledge Receipt of F.N.B. Investment and Administrative Review dated February 14, 2008 for the year ending December 31, 2007.**
8. **Acknowledge Receipt of Payroll Contribution Reconciliation Report.**

MR. BISHOP ACKNOWLEDGED RECEIPT OF ALL EIGHT CORRESPONDENCE AND COMMUNICATIONS. MR. SCHENCK WAS SECOND. MOTION UNANIMOUSLY CARRIED.

E. F.N.B. Wealth Management

PAESE Mr. Joe Paese of F.N.B. Wealth Management had provided a written report to the Board. He presented highlights of his report summarized below:

- Market Overview – Difficult quarter with slight recovery through May 2, 2008.
- Recession – Will be difficult for the economy to rebound; fund will remain conservative.
- First Quarter Earnings – Certain areas strong (Wal-Mart) but future forecasted as weak.
- Federal Reserve – Prime rate dropped in order to assist the economy.
- U. S. Dollar – Still has serious challenges in other countries; significant pressure.
- Oil – Situation will not change in the near term; significant negative push on economy.
- Corporate - Bond market sector has not performed well; will extend out long-range.
- Fixed Index – Corporate high yield area was negative; remaining bond market was positive.
- Equity Index – REIT sector – Big recovery
- First Quarter – Beginning balance at \$4,763,286.28, fees deducted \$5,824.09, earned income less unrealized depreciation, ended at \$4,635,609.25.
- FNB Daily Fund/Money Market Fund – 3/31 - \$915,000 in cash; experienced a call; added \$250,00 back into the bond market; cash – 10 to 12% going back into equities.
- Portfolio Overview as of 3/31/08 – April strong month @ 4.744 vs. 4.651.
- Foreign Equity – Harbor International has done extremely well; heaviest international weighting.
- Performance Analysis – down 2.6 vs. benchmark of 3.1. Cash up 0.8 vs. T-bills 0.5. Fixed 2.5 vs. 3, Equities 7.9 vs. benchmark of 9.4.

GURRERI Mr. Gurreri questioned the overall benchmark.

PAESE Mr. Paese responded that the Actuarial is 7.6.

GURRERI Mr. Gurreri noted that the result for this year was at 5.8.

HOLMAN Mr. Holman noted that an Actuarial review will be held on the accounts every two years during the review. He asked Mr. Paese how he would position the fund in preparation for the November election.

PAESE Mr. Paese responded that the more important issue will be the current economy. He added that it was much too early to make any changes in the portfolio, and stated that it will be relatively easy to make changes when the time comes due to not having major tax implications. He noted that if the Democrats win there will certainly be a tax hike especially on corporations which will be a huge negative. In addition, healthcare will become a real question. He noted that John McCain is somewhere in the middle and moderate, very difficult to determine. He did not think the election would have a major impact on the fixed side of the portfolio, but rather on the equity side. He stated that there will be significant reform with regard to the mortgage market financial sector, which might not have a positive impact. He did not think it would be necessary to make an overall asset allocation.

GURRERI Mr. Gurreri thanked him for his report.

F. Old Business

GURRERI Mr. Gurreri indicated that neither Mike Bowman nor George Dvoryak were able to be present at the meeting. Mr. Bowman was away on personal business and Mr. Dvoryak had some previous commitments that he had to take care of but will be present for the 7 o'clock Regular meeting.

GURRERI Mr. Gurreri pointed out the overall benchmark is 7.6; actual for this year is 5.8. He noted that over the six years it remains at 5.8 and he suggested consideration of lowering the benchmark.

G. New Business

HOLMAN Mr. Holman responded that he could ask the Actuary what could be done if the benchmark would be lowered and what the impact would be on the contributions that would need to be met. If the expectation is lowered from 7.5, then the actual figure goes up. It must be reviewed over five and ten years.

BISHOP Mr. Bishop noted that the period of time within the fund had been a reasonably short one.

HOLMAN Mr. Holman added that the average years still include 2002 which was the worse year.

SCHENCK Mr. Schenck commented that there had been no discussion concerning a meeting with the Actuary. That's where the discussion should take place.

**SPRINGETTSBURY TOWNSHIP
POLICE PENSION BOARD**

**MAY 8, 2008
APPROVED**

HOLMAN Mr. Holman responded that a meeting with the Actuary normally was during the August meeting.

GURRERI Mr. Gurreri indicated that it should be discussed during that time.

H. Committee Motions

- 1. Confirmation of Increase of Pension Benefit: All increases are in accordance with the Pension fund guidelines and are calculated and confirmed by the Pension Fund Actuary:**

Charles W. Zane, effective 2/13/08.

MR. SCHENCK MOVED TO ACKNOWLEDGE THE INCREASE IN PENSION BENEFITS FOR CHARLES ZANE EFFECTIVE FEBRUARY 13, 2008 TO \$3,215.53 PER MONTH. MR. BISHOP WAS SECOND. MOTIO UNANIMOUSLY CARRIED.

I. Adjournment

GURRERI Vice Chairman Gurreri adjourned the meeting at 5:30 p.m.

Respectfully submitted,

John Holman
Secretary

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**SPRINGETTSBURY TOWNSHIP
FIRE PENSION BOARD**

**FEBRUARY 14, 2008
APPROVED**

A meeting of the Fire Pension Board of Springettsbury Township was held on Thursday, February 14, 2008 at 5:45 p.m. at the Township Offices located at 1501 Mt. Zion Road, York, PA.

MEMBERS IN

ATTENDANCE: George Dvoryak, Chairman
Don Bishop
Bill Schenck
Mike Bowman

MEMBERS NOT

IN ATTENDANCE: Nick Gurreri, Vice Chairman

ALSO IN

ATTENDANCE: John Holman, Township Manager/Secretary
Annette Hose, Fulton Financial
Richard Diem, Fulton Financial
Rob Carpenter, Fire Fighter Representative
George Mount, Fire Fighter Representative
Jean Abreght, Stenographer

A. Call to Order

DVORYAK Chairman Dvoryak called the meeting to order at 5:45 p.m. A Quorum was present.

B. Action on Minutes

- 1. October 25, 2007 Fire Pension Board Meeting**
- 2. January 7, 2008 Fire Pension Board Meeting**

MR. SCHENCK MOVED TO APPROVE THE MINUTES AS PRESENTED. MR. CARPENTER WAS SECOND. MOTION UNANIMOUSLY CARRIED.

C. Public Comment

There was no public comment.

D. Correspondence and Other Communications

- 1. Acknowledge Receipt of Fulton Financial Report for 1/1/07-12/31/07**
- 2. Acknowledge Receipt of Fulton Financial Report for October 2007.**
- 3. Acknowledge Receipt of Fulton Financial Report for November 2007.**
- 4. Acknowledge Receipt of Fulton Financial Report for December 2007.**

MR. SCHENCK MOVED TO ACKNOWLEDGE RECEIPT OF FULTON FINANCIAL REPORTS, ITEMS 1 THROUGH 4 ON THE AGENDA. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

CARPENTER Mr. Carpenter asked whether the Fulton Financial reports are received monthly.

HOLMAN Mr. Holman responded that he received the monthly reports. He was aware that both Mr. Carpenter and Mr. Mount would like to receive the monthly report, and Fulton Financial was requested to mail the reports to each of them.

CARPENTER Mr. Carpenter asked whether they would be mailed to their residences.

HOLMAN Mr. Holman responded that it will be arranged to come to their residences.

5. Acknowledge Receipt of Payroll Contribution Reconciliation Report.

DVORYAK Chairman Dvoryak stated that the Payroll Contribution Reconciliation Report had been attached to the police report. He asked whether the Fire Fighters had a chance to review that report.

MOUNT Mr. Mount asked whether the report was compiled by the township.

HOLMAN Mr. Holman responded that Mr. Hadge generated the report. He added that the report coordinated their contributions and the township's contributions against what is reported by Fulton Financial to be sure that they balance.

DVORYAK Chairman Dvoryak noted that the action would be to acknowledge that the report was received.

MR. BOWMAN MOVED TO ACKNOWLEDGE RECEIPT OF THE PAYROLL CONTRIBUTION RECONCILIATION REPORT. MR. BISHOP WAS SECOND. MOTION UNANIMOUSLY CARRIED.

6. Notices to Fulton Financial regarding payment for Actuarial Services from Conrad Siegel for the period April 1, 2006 through September 30, 2007.

DVORYAK Chairman Dvoryak called for a motion to acknowledge receipt of the Fulton Financial notice regarding the payment for actuarial services for \$6,340.

MR. SCHENCK MOVED TO ACKNOWLEDGE RECEIPT OF THE STATEMENT REGARDING PAYMENTS FOR ACTUARIAL SERVICES. MR. BISHOP WAS SECOND. MOTION UNANIMOUSLY CARRIED.

E. Reports from Financial Advisors

a. Fulton Financial

HOSE Annette Hose of Fulton Financial presented the accounting for the fourth quarter, 2007 and reviewed the report in detail. Market Value as of October 1, 2007 was \$2,463,685.09. Total receipts were \$214,166.43. Total disbursements were \$42,626.78 for a Market Value as of December 31, 2007 of \$2,635,224.74.

DIEM Richard Diem, Fulton Financial, provided a review of the investment performance for the first quarter of 2008. An in-depth written report was provided to the Board. He reviewed the economy and interest rates. Core Inflation remained above Federal Reserve's target range of 1-2%. Federal Reserve cut Fed Funds and Discount Rates to 3.00% and 3.50% respectively. Sub-prime lending; rising foreclosures and soft housing market remain concerns. He reviewed the equity and bond markets, the asset allocations and the 2007 benchmark year-end results. On the equity side, the Retirement Common Stock Fund underperformed slightly for the quarter, however, for the year it was up 10.03% versus a benchmark of 11.72%. The value fund was down for the quarter at -1.54% but did better than the benchmark of -5.87%. The MFS fund for the year was up 8.52% versus 1.17%. Vanguard mid-cap index was -3.42% versus a benchmark of -2.74%. The small cap was down 5.03% for the quarter versus -4.57%. Mr. Diem noted that he had made some changes and moved out of the Vanguard small cap index into the Loomis Sayles small cap value fund, which is an actively-managed mutual fund. They added Eaton Vance, an emerging market fund as well. It had a good quarter with 5.4% versus a benchmark of 3.63%. The new international fund is the Harbor International. The combination of those mutual funds was up 14.55% versus 11.18% and was the best performing sleeve in the portfolio, better than the market.

SCHENCK Mr. Schenck asked when funds are moved, such as the Loomis Sayles, whether that was the pension fund's money or just the overall performance of the fund individually.

DIEM Mr. Diem responded that he always showed the pension fund's sleeve as much as possible.

SCHENCK Mr. Schenck asked whether that was the best case for that period of time.

DIEM Mr. Diem responded that it was the best case. As an example, the International piece would be a combination of the three funds and how they performed in the portfolio.

DIEM Mr. Diem continued with his report and stated that on the Fixed Income side, there was the FFA Retirement Fixed Income Fund, which was up 2.95% versus

2.90%. The FFA Retirement Fixed Income Fund is a common fund with 80 different bonds. There are more in the government agencies. Corporates are about 2/3 in agencies, 1/3 in corporates and 3/4 of the portfolio is AAA. There have been no issues with the sub-prime or collateralized debt mortgages. For the year that was up 5.39% versus 7.39%. Fixed Income was 1.1% versus .99% so overall a good quarter. The portfolio is conservative, and year-to-date is off only 1.8%.

CARPENTER Mr. Carpenter asked for the name of the small cap fund.

DIEM Mr. Diem responded that it was the Loomis Sayles fund and referred Mr. Carpenter to the Morningstar reports provided within the written document. The fund was in the top quartile for the year, and Fulton was very pleased with its performance. He reviewed the Current Portfolio as of 2/1/08 and the total market value.

DVORYAK Mr. Dvoryak asked about the year-to-date figure of 1.8%. He asked what the benchmark was for that same period.

DIEM Mr. Diem responded that the equities were down 6.31%; S&P was down 6.66%; fixed income was up 1.72%. He thought the benchmark was about the same as the fixed income.

DVORYAK Mr. Dvoryak commented that he was not looking for a political forecast, but he asked whether a democratic or republican administration would change what he would put into the portfolio for the year.

DIEM Mr. Diem responded that it was too early to call. They had been cutting back on defense stocks in the industrial portfolios within the large cap growth area. As far as the tactical allocation change, he would not make any changes based upon that. He did not foresee any major changes in policies.

DVORYAK Chairman Dvoryak thanked them for their reports. He moved through the Agenda.

F. Old Business

SCHENCK Mr. Schenck asked whether there is a requirement to keep the police and fire pension funds separate.

HOLMAN Mr. Holman responded that it was required. The meetings could be combined, but the funds must stay separate. The police operate under Act 600 statutorily, but fire fighters do not. There are two separate rules and requirements in each of the funds.

**SPRINGETTSBURY TOWNSHIP
FIRE PENSION BOARD**

**FEBRUARY 14, 2008
APPROVED**

HOSE Annette Hose noted that the two different pension funds have different actuarial functions, so they could not be managed in one fund.

G. Committee Motions

There were no committee motions.

H. Adjournment

DVORYAK Chairman Dvoryak adjourned the meeting at 6:10 p.m.

Respectfully submitted,

John Holman
Secretary

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**SPRINGETTSBURY TOWNSHIP
FIRE PENSION BOARD REORGANIZATION**

**JANUARY 7, 2008
APPROVED**

The Fire Pension Board of Springettsbury Township held a Reorganization Meeting on Monday, January 7, 2008 at 6:10 p.m. at the Township Offices located at 1501 Mt. Zion Road, York, PA.

MEMBERS

IN ATTENDANCE: George Dvoryak, Chairman
Bill Schenck
Don Bishop
Mike Bowman

MEMBERS NOT

IN ATTENDANCE: Nick Gurreri, Vice Chairman

ALSO IN

ATTENDANCE: John Holman, Secretary
John Luciani, Civil Engineer
Jean Abreght, Stenographer

1. CALL TO ORDER

DVORYAK Acting Chairman George Dvoryak called the meeting to order at 6:10 p.m.

2. APPOINTMENT OF TOWNSHIP SUPERVISORS AS MEMBERS

A. Current Members: Bill Schenck, Don Bishop, George Dvoryak, Nick Gurreri and Mike Bowman

MR. BISHOP MOVED TO APPOINT THE FIVE TOWNSHIP SUPERVISORS AS MEMBERS OF THE FIRE PENSION BOARD. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

3. APPOINTMENT OF FIRE FIGHTERS AS REPRESENTATIVES

A. Current Representatives: Rob Carpenter and George Mount
Proposed: Rob Carpenter and George Mount

MR. CARPENTER MOVED TO APPOINT CURRENT REPRESENTATIVES, ROB CARPENTER AND GEORGE MOUNT. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

4. APPOINTMENT OF OFFICERS

- A. Current Chair: George Dvoryak
- B. Current Vice Chair: Nick Gurreri
- C. Current Secretary: George Mount

**SPRINGETTSBURY TOWNSHIP
FIRE PENSION BOARD REORGANIZATION**

**JANUARY 7, 2008
APPROVED**

MR. BOWMAN MOVED TO RE-APPOINT THE CURRENT OFFICERS TO THE SAME POSITIONS FOR 2008. MR. CARPENTER WAS SECOND. MOTION UNANIMOUSLY CARRIED.

5. OTHER ITEMS

A. Meeting Dates for 2008 (5:45 p.m.)

February 14, 2008

May 8, 2008

August 28, 2008

October 23, 2008

MR. SCHENCK MOVED TO SET THE MEETING DATES OF THE FIRE PENSION BOARD AS LISTED ON THE AGENDA. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

6. ADJOURNMENT

DVORYAK Chairman Dvoryak adjourned the meeting at 6:18 p.m.

Respectfully submitted,

George Mount
Secretary

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