

**SPRINGETTSBURY TOWNSHIP
POLICE PENSION BOARD**

**DECEMBER 10, 2015
APPROVED**

The Springettsbury Township Board of Supervisors held a Police Pension Board Meeting on Thursday, December 10, 2015 at 6:00 p.m. at the offices of Springettsbury Township located at 1501 Mt. Zion Road, York, PA.

MEMBERS IN

ATTENDANCE: Mark Swomley, Chairman
George Dvoryak
Bill Schenck
Kathleen Phan

MEMBERS NOT

IN ATTENDANCE: Julie Landis
Police Department Representatives (2)

ALSO IN

ATTENDANCE: Kristen Denne, Township Manager
Jean Abreght, Stenographer

1. CALL TO ORDER

A. Opening Ceremony

SWOMLEY Chairman Swomley called the Police Pension Board meeting to order. He stated that a Quorum was present with Messrs. Schenck, Dvoryak, Swomley and Ms. Phan, four of seven members.

2. ACTION ON MINUTES

A. Police Pension Board Minutes – November 4, 2015

MR. DVORYAK MOVED TO APPROVE THE MINUTES. MR. SCHENCK WAS SECOND. MOTION UNANIMOUSLY CARRIED.

3. PUBLIC COMMENT

There was no public comment.

4. CORRESPONDENCE AND OTHER COMMUNICATIONS

A. Police Pension Reports:

(1) Acknowledge Receipt of FNB Management Report for October 2015

MR. DVORYAK MOVED TO ACKNOWLEDGE RECEIPT OF THE FNB MANAGEMENT REPORT FOR OCTOBER 2015. MR. SCHENCK WAS SECOND. MOTION UNANIMOUSLY CARRIED.

5. REPORTS FROM FINANCIAL ADVISORS

A. Review of Investment Policy

LAYCHUR Rene Laychur, F.N.B. reported on the Investment Policy. She noted the most important decision for the board is to define the target and the asset allocation. The discussion was lengthy and is summarized:

- Current policy shows maximum level of equities at 57.5%; target would be 47.5%.
- Morningstar report breaks down average returns within the current policy at 50/51; resulting in 8.2% very long term.
- Typical pension plans result in approximately 60% target.
- An important factor will be changing the way the pension policy is currently worded.
- Identify the target of international stock, which within the portfolio is fairly large; 50% equity results in a 14% target or 28% of a 50% portfolio. A 10% bands would be recommended.
- Currently no allowance for high yield; individual stocks must be 50%; debt to capital has to be 50% or less.
- Recommendation to adjust the international end in the asset class. Target equity at 6% with 10 or 15-point bands; range of 50 to 70 and adjust Fixed Income down to 35.

SWOMLEY Chairman Swomley noted that he assumed that the presentation this date would be a resolution for actuarial assumptions.

DENNE Ms. Denne responded that the subject was one of the items for discussion.

SCHENCK Mr. Schenck commented that the board had asked to have a discussion on the investment policy.

LAYCHUR Ms. Laychur stated that she would redo the asset allocation with 10 basis points. If the board agrees she would recommend adding alternatives whether they are used or not.

SWOMLEY Chairman Swomley summarized that the board will be provided with revised language for the Investment Policy Statement, which will be voted on by the Pension Board.

LAYCHUR Ms. Laychur summarized that currently the portfolio is less than half targeted, 47.5% Stock. The range could go 37.5 to 57.5 and within the strength of International being 4% to 24% with the US has to back the difference and vice versa. She recommended a zero target and a maximum for use of alternatives.

DVORYAK Mr. Dvoryak stated a caveat that the past results never guarantee a future success. He was in favor of directionally moving to the 60/40 with some alternatives as part of the mix. He added that the direction that the historical data supported will lead to the objectives for the pension plan.

SCHENCK Mr. Schenck agreed and questioned the use of Internationals with 14% as a target.

LAYCHUR Ms. Laychur responded that it would be of the overall portfolio and not of the equity. The whole equity decision is a most important one, and International should be a part of that.

DVORYAK Mr. Dvoryak questioned whether 10% would provide the flexibility needed.

LAYCHUR Ms. Laychur responded that it would. She added that was what F.N.B.'s internal guidelines are. The decision when addressing alternatives is whether they would come out of either equity or fixed income.

6. OLD BUSINESS

There was no Old Business for discussion.

7. NEW BUSINESS

A. Resolution No 2015-PPB-01

MR. SCHENCK MOVED FOR THE ADOPTION OF RESOLUTION 2015-PBB-01. MR. DVORYAK WAS SECOND. MOTION UNANIMOUSLY CARRIED.

PHAN Ms. Phan mentioned that in a review of the township website she looked at the Police Pension Minutes and the last one there is from the May meeting. She asked if they are not being posted.

DENNE Ms. Denne responded that they need to be updated. She had noticed it as well.

SCHENCK Mr. Schenck noted that once a year he does a presentation for Leadership York about all the great reasons why a person should run for local office. He had addressed the Sunshine Law, doing things in public and providing a lot of information to the residents. There was a lady there who commented that she works for York City but lives in Springettsbury. She commented that the

township's website is the best around; that she had visited other websites and that Springettsbury's is way ahead of the rest.

PHAN Ms. Phan added that when a resident has a question, she points them to the website, to the ordinances, etc. Most honestly do not know what's there.

SWOMLEY Chairman Swomley adjourned the meeting at 6:30 p.m.

Respectfully submitted,

Kathleen Phan
Secretary
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