

**SPRINGETTSBURY TOWNSHIP  
FIRE/POLICE PENSION BOARD – JOINT MEETING**

**AUGUST 23, 2007  
APPROVED**

A joint meeting of the Fire and Police Pension Boards of Springettsbury Township was held on Thursday, August 23, 2007 at 6:00 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  
Tom Zimmerman, Actuary  
Christopher Ford, Police Department  
Andrew Stern, Managing Director of Fire and Rescue Services  
George Mount, Fire Services  
Rob Carpenter, Fire Services

**A. Call to Order**

**DVORYAK** Chairman Dvoryak called the meeting to order at 6 p.m. He welcomed everyone and called for the Quorum.

**HOLMAN** Mr. Holman stated that a Quorum was present of both the Fire and Police Pension Boards.

**B. Action on Minutes**

- 1. May 10, 2007 Fire Pension Board Meeting**
- 2. May 10, 2007 Police Pension Board Meeting**

**MR. GURRERI MOVED TO APPROVE MINUTES FOR BOTH PENSION BOARD MEETINGS OF MAY 10, 2007. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

**C. Public Comment:**

There was no Public Comment.

**D. Correspondence and Other Communications**

- 1. Fire:**
  - a) Acknowledge Receipt of Fulton Financial Report for April 2007**
  - b) Acknowledge Receipt of Fulton Financial Report for First Quarter 2007**
  - c) Acknowledge Receipt of Fulton Financial Report for May 2007**

- d) Acknowledge Receipt of Fulton Financial Report for June 2007**
- e) Acknowledge Receipt of Fulton Financial Report for July 2007**
- f) Acknowledge receipt of payroll pension contribution reconciliation report.**

**2. Police:**

- a) Acknowledge Receipt of Fulton Trust Company Report of April-January 2007.**
- b) Acknowledge Receipt of Fulton Trust Company Report of May 2007.**
- c) Acknowledge Receipt of Fulton Trust Company Report of June 2007.**
- d) Acknowledge Receipt of Fulton Trust Company Report of July 2007.**
- e) Acknowledge Receipt of F.N.B. Wealth Management Report for April 2007.**
- f) Acknowledge Receipt of F.N.B. Wealth Management Report for May 2007.**
- g) Acknowledge Receipt of F.N.B. Wealth Management Report for June 2007**
- h) Acknowledge Receipt of F.N.B. Wealth Management Report for July 2007**
- i) Acknowledge receipt of payroll pension contribution reconciliation report.**

**MR. SCHENCK MOVED TO ACKNOWLEDGE RECEIPT OF THE FINANCIAL REPORTS AS LISTED ON THE AGENDA. MR. BISHOP WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

**E. Reports from Financial Advisors**

**1. Presentation of Actuarial Valuation from Tom Zimmerman, Conrad Siegel Actuaries, Police and Fire.**

**Police Pension Plan**

**ZIMMERMAN**

Mr. Tom Zimmerman, Actuary, reported that both pension plans are very similar. He explained that, in accordance with state law, Act 205, the reports are completed every other year. The reports show how much had been placed in the plan for proper funding. The last report was completed January 1, 2005; this report is as of January 1, 2007.

Mr. Zimmerman began with the police pension report, written copy of which had been provided to the Board. The main assumptions were that the trust fund earned on average 7.5% per year and that salaries increased 5% per year over the long term. He had provided the asset schedules, the receipts and disbursements and the reporting for 2005 and 2006. In 2005 the return on the trust fund was 4.68%; in 2006 the return was 9.38% for a total of about 14%. The actuarial assumption was 7.5% a year, 15%, so the plan had a small investment loss over the two-year period of about 1% investment on \$8 to \$9 million which is about \$80,000. Mr. Zimmerman stated that it was standard as compared with other plans. The asset allocation is more conservative than most plans of this size.

Mr. Zimmerman stated that the plan had an actuarial accrued liability of \$10.6 million; plan assets are about \$9.2 million. The plan is under-funded by \$1.4 million. The normal cost of \$307,000 plus the premium for killed-in-service

insurance of \$7,500 making the total normal cost \$315,000 of the plan benefits earned in 2007, which is 15.3% of payroll. Mr. Zimmerman reviewed the figures for amortization, which included two bases, the ADHOC COLA and actuarial loss. The unfunded liability from 1/1/05 to 1/1/07 changed slightly but was small and consistent at approximately \$28,000.

Mr. Zimmerman reviewed the Minimum Municipal Obligation (MMO), which is a composite of that normal cost and average administrative expenses of about \$52,000. The amortization of the \$1.4 million unfunded adds about \$170,000 to the cost; total cost is \$539,000. Expected contributions from the officers are 3.5% or about \$72,000; state aid for 31 officers is \$190,000 so the net MMO is approximately \$277,000. He provided a projection for future years showing the MMO over a three-year period, which he explained in detail. Because payroll grows, the MMO grows as well at 4%. The MMO for 2008 is estimated to increase to about \$480,000. State aid will hold steady at \$190,000 a year.

- BISHOP** Mr. Bishop asked him to elaborate on the specifics of the asset allocation which were considered to be conservative.
- ZIMMERMAN** Mr. Zimmerman called attention to the January 1, 2007 assets. The calculation done this date indicated the allocation was at about 52% equities.
- BISHOP** Mr. Bishop questioned for clarification that he had based that on the actual and not on the policy.
- ZIMMERMAN** Mr. Zimmerman assured him that he was correct. He added that it was fairly conservative for a \$9 million trust fund.
- BISHOP** Mr. Bishop asked whether he was familiar with the Township's investment policy.
- ZIMMERMAN** Mr. Zimmerman responded that he was somewhat familiar with it. He recalled that there was a fairly broad range.
- HOLMAN** Mr. Holman indicated it was about 50/50 but it could swing 10%.
- SCHENCK** Mr. Schenck asked for further explanation of aggregation of changes.
- ZIMMERMAN** Mr. Zimmerman responded that the figures are state required for reporting; however, in the aggregate the liability will be fully amortized by 2018. He added that in 11 years the cost of the plan will decrease by \$136,000 because that will be eliminated.
- SCHENCK** Mr. Schenck stated that the word unfunded concerned him. He asked Mr. Zimmerman for his opinion.

**ZIMMERMAN** Mr. Zimmerman responded that it did not concern him and added that most Act 600 plans, 60% to 80%, have some amount of unfunded liability.

**HOLMAN** Mr. Holman noted that the plans for 2003 and 2005 were unfunded for 14 years and most of that was due to the 2000 stock market drop. It is down to 11 years from 14 years.

**ZIMMERMAN** Mr. Zimmerman added that the \$136,000 is from the market crash. The plan lost \$1 million in a two or three-year period.

**SCHENCK** Mr. Schenck thanked him for his explanation.

**Fire Pension Plan**

**ZIMMERMAN** Mr. Zimmerman explained that much of the fire pension plan had the same background and is subject to the same state law for funding, Act 205. He reported that there is a little difference between the fire and police plan with regard to the interest rate assumption, which is 6.5%. That was intentional because when this plan was set up the decision was to invest it more conservatively. The Board wanted less volatility in the contributions and more conservative assets. Other than that the assumptions are very similar to the police plan.

Mr. Zimmerman explained the asset schedules. The return in 2005 was about 3.8%; for 2006 it was 9.3%. Adding those two percentages equals about 13%, which is almost right on that 6.5 annual assumption. The fund has an unfunded liability of \$890,000; normal cost is \$117,000 or about 13% of payroll. Normal cost is slightly less than the police plan mainly because of the retirement age of 55 and 25 years of service. In the police plan it is 50 and 25 years of service. The base benefit is the same, 50% of pay. There is a slight difference in that the police plan is 50% of total pay and in the fire plan it is 50% of base pay plus holiday pay with no overtime. He reported the amortization of the \$890,000 liability which adds \$97,000 to the annual cost. The unfunded liability from 1/1/05 to 1/1/07 decreased because of slightly higher contributions than expected, but had a small investment gain of \$10,000. Normal cost, administrative expenses and the \$97,000 amortization makes the cost of the plan \$233,000 offset by member contributions of 5% of pay making the net Minimum Municipal Obligation about \$192,000 and state aid based on 17 firefighters expected to be about \$105,000 with a net cost of \$87,000. His projection for the 2007 MMO is \$196,877, which will be contributed this fall. The 2008 MMO, assuming some growth in payroll will be about \$200,000 and 2009 about \$210,000. The report showed very consistent costs resulting from a very stable two years in the market and the demographic group, both in police and fire.

**DVORYAK** Mr. Dvoryak thanked him for his report.

**F. Old Business**

**1. Approval of Actuarial Analysis for Pension Payment:**

**Fire:**

**Captain Daniel Flohr  
Captain John Shire  
Firefighter Gerald Wishard**

**Reimbursement of Benefit Payments:**

**Joel Dull  
Douglas Snyder**

**Police:**

**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:**

**Robert Harman COLA increase effective 1/5/07  
Harold Kessler COLA increase effective 1/6/07  
Charles Zane COLA increase effective 2/13/07  
Kenneth Witmer COLA increase effective 5/1/07  
Kenneth Miller COLA increase effective 5/8/07**

**DVORYAK** Mr. Dvoryak asked Mr. Holman to provide clarification of the action to be taken under Old Business.

**HOLMAN** Mr. Holman noted that during the previous meeting he had not provided the calculation and correspondence with the actuary regarding the fire and police reimbursement. Mr. Holman, staff and Mr. Zimmerman reviewed the year 2006 with regard to payments to both new retirees and increases in payments, COLA benefits with regard to the police department. They were listed on the Agenda for approval by the Board. He asked Mr. Zimmerman for his comments.

**ZIMMERMAN** Mr. Zimmerman stated that they are standard reimbursements and are done regularly.

**DVORYAK** Mr. Dvoryak asked whether one or two were direct payouts.

**HOLMAN** Mr. Holman responded that two are direct payouts where personnel have left employment and are entitled to a reimbursement of their fund.

**DVORYAK** Mr. Dvoryak called for questions. Hearing none, he called for a motion.

**MR. BOWMAN MOVED TO APPROVE THE PENSION INCREASES AND REIMBURSEMENTS. ROB CARPENTER WAS SECOND. MOTION UNANIMOUSLY**

**CARRIED.**

**G. New Business**

- 1. Acceptance of Actuarial Valuation of Springettsbury Township Paid Firemen Pension Plan Dated January 1, 2007.**
- 2. Acceptance of Actuarial Valuation of Springettsbury Township Police Pension, Death and Disability Fund Dated January 1, 2007.**

**DVORYAK** Chairman Dvoryak called for acceptance of the Actuarial Valuation reports. He asked whether there were any questions.

**GURRERI** Mr. Gurreri asked whether both reports could be accepted together.

**HOLMAN** Mr. Holman indicated that would be acceptable.

**MR. SCHENCK MOVED TO ACCEPT THE ACTUARIAL EVALUATIONS AS LISTED ON THE AGENDA ITEMS G1 AND 2. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

**H. Committee Motions**

There were none for discussion.

**I. Adjournment**

**DVORYAK** Chairman Dvoryak asked for any other items to come before the Board. Hearing none, he adjourned the meeting at 6:30 p.m.

Respectfully submitted,

John Holman  
Secretary

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**SPRINGETTSBURY TOWNSHIP  
POLICE PENSION BOARD**

**MAY 10, 2007  
DRAFT**

The Police Pension Board of Springettsbury Township held a meeting on Wednesday, May 10, 2007 at 5:00 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  
Christopher Ford, Police Department  
Joe Paese, F.N.B. Wealth Management  
Richard Diem, Fulton Financial  
Sharon Hake, Fulton Financial  
Jean Abreght, Stenographer

- A. Call to Order – The Chairman calls the meeting to order. A roll is conducted to determine if a quorum is present.**

**DVORYAK** Chairman Dvoryak called the meeting to order at 5:00 p.m.

**HOLMAN** Mr. Holman certified that a quorum was present.

- B. Action on Minutes**

- 1. February 8, 2007 Police Pension Board Meeting**

**MR. BISHOP MOVED FOR APPROVAL OF THE FEBRUARY 8, 2007 POLICE PENSION BOARD MINUTES AS PRESENTED. MR. BOWMAN WAS SECOND. MOTION CARRIED. MR. GURRERI ABSTAINED AS HE WAS NOT PRESENT.**

- C. Public Comment**

There was no public comment.

- D. Correspondence and Other Communications**

- 1. Acknowledge Receipt of Fulton Trust Company Report of January 2007**
- 2. Acknowledge Receipt of Fulton Trust Company Report of February 2007**
- 3. Acknowledge Receipt of Fulton Trust Company Report of March 2007.**
- 4. Acknowledge Receipt of Fulton Trust Company Report for First Quarter 2007.**
- 5. Acknowledge Receipt of F.N.B. Wealth Management Report for Fourth Quarter 2006.**
- 6. Acknowledge Receipt of F.N.B. Wealth Management Report for January 2007.**

- 7. Acknowledge Receipt of F.N.B. Wealth Management Report for February 2007.**
- 8. Acknowledge Receipt of F.N.B. Wealth Management Report for March 2007.**
- 9. Acknowledge Receipt of F.N.B. Wealth Management Report for First Quarter of 2007.**
- 10. Acknowledge Receipt of Payroll Contribution Reconciliation Report.**

**MR. BISHOP MOVED TO ACKNOWLEDGE RECEIPT OF ITEMS LISTED ON THE AGENDA AS D, 1 THROUGH 10. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

**E. Reports from Financial Advisors**

**1. F.N.B. Wealth Management**

**PAESE** Mr. Joe Paese of F.N.B. Wealth Management presented his report, a written copy of which had been provided to the Board members. He provided an overview of the market. Equity markets were up from 5% to 8% during April. Employment had been weak; however, corporate earnings were very strong at 70% plus. The economy is expected to continue relatively strong; however, the housing market may become an issue. The international market seemed to be outpacing the domestic market. Mr. Paese stated that the yield curves will provide the biggest benefit in that the bond market will be in the intermediate to short side. He reported the indices for the last quarter and stated that bonds outperformed the major three equity classes for the quarter. The market value plus accrued income as of March 31, 2007 was \$4,681,130.40. The portfolio revealed a cash asset yield of 4.92%; fixed income at a 5.36% and an equity yield of 2.58%. Market value of the total portfolio is \$4,655,421.81. Mr. Paese continued to move through the report as documented for the Board.

**DVORYAK** Chairman Dvoryak asked whether the investment policy guidelines included the 34% in Financials.

**PAESE** Mr. Paese responded that he did not believe that the policy drilled down to subsectors.

**DVORYAK** Chairman Dvoryak asked whether Mr. Paese would have a policy that drilled down to that level if he were writing an investment policy for an organization.

**PAESE** Mr. Paese responded that they have a few policies which limit them. He explained that they take the S&P and the weighting of the S&P and put parameters on how far they can move outside the S&P weighting. He added that he could understand some of the concerns. He noted that there are some areas of this portfolio that they expect to pull back when they think it is the right time.

**GURRERI** Mr. Gurreri asked how the Actuary comes up with 7%.

- PAESE** Mr. Paese responded that it was based on the contribution flow.
- HOLMAN** Mr. Holman added that it would revert back to when the fund was set up, and the guideline the Actuary used when he calculates are liabilities and gains every two years. The police fund is at 7%; the fire is at 6.5%.
- PAESE** Mr. Paese added that the number of officers, their age, etc. all go into that calculation to obtain the resulting numbers.
- HOLMAN** Mr. Holman suggested thinking of that as the benchmark for the next 14 years.

## **2. Fulton Financial**

- HAKE** Sharon Hake stated that she was present in the absence of Annette Hose. She reviewed the written report and reported that the Market Value as of January 1, 2007 was \$4,575,306.13 with Total Receipts of \$119,967.10. Total Disbursements were \$120,281.99. Market Value as of March 31, 2007 was \$4,569,161.34.
- DIEM** Richard Diem stated that he agreed with Mr. Paese's economic summary and stated that there had been great growth in the market. He noted that the economic growth rate was expected at about 2.5 to 3% and may be slowing somewhat. He did not expect that the Federal Reserve Board would cut rates during 2007. Energy costs, as well as interest rates are high, and the dollar is very weak. He noted that corporate profits had been very strong during the first quarter, and about two-thirds of the companies actually beat their own expectations. Some effects are noted due to the foreign dollars purchasing treasuries. Sub-prime lending was an issue during the quarter, and the housing market is beginning to weaken. They are looking for large-cap stocks to outperform small and mid-cap. They do not expect too much movement in the bond market. Mr. Diem called attention to the Investment Performance analysis as of March 31, 2007 noting a good quarter. The total rate of return for the portfolio was 2.27% beating the benchmark of 1.10%. Total equities make up about 50% of the portfolio with growth of 2.76% versus the S&P index of 0.64%. He noted that nearly every category was above the benchmark except International, which was up 2.01% versus a benchmark of 4.08%. On the Fixed Income side, 45% of the portfolio included the Retirement Fixed Income Fund, which was up 1.71% versus a benchmark of 1.59%. He reported that no major changes were anticipated for the next quarter.
- DVORYAK** Chairman Dvoryak asked whether the Fixed Income was more concentrated in governments than corporate bonds.
- DIEM** Mr. Diem referred to the Retirement Fixed Income Fund portion of the written report. He noted that there was some overexposure to Treasuries and Agencies. Corporate bonds make up approximately one third of the whole fund and had

been historically low. They did not take any extra risk by leaving Treasuries to go to Corporate bonds. Mr. Diem reviewed the Retirement Common Stock Fund which yielded 1.57% and included 35% of the equity holdings. He noted the MFS Research International Fund, which replaced the two Vanguard funds and will be a more actively managed fund. He stated that the Retirement Common Stock Fund outperformed its index and added it is expected that healthcare and energy benchmarks will do well in future months.

**F. Old Business**

There was no Old Business for discussion.

**G. New Business**

There was no New Business for discussion.

**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 Zane COLA increase effective 2/13/07.**

**HOLMAN** Mr. Holman noted that item 1 was a standard Increase of Pension Benefit guidelines for an increase for two men. The background information had not been provided and Mr. Holman advised he would place the item with details on the next Agenda. The increases were in accordance with the pension guidelines and they are receiving the increase effective 2/13/07.

**I. Adjournment**

**DVORYAK** Chairman Dvoryak adjourned the meeting at 5:55 p.m.

Respectfully submitted,

John Holman  
Secretary

ja

**SPRINGETTSBURY TOWNSHIP  
POLICE PENSION BOARD**

**FEBRUARY 8, 2007  
APPROVED**

The Police Pension Board of Springettsbury Township held a meeting on Thursday, February 8, 2007, at 5:00 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, Township Manager  
Christopher Ford, Police Department  
Gary Utter, Police Department

**A. Call to Order**

**DVORYAK** Chairman Dvoryak called the meeting of the Police Pension Board to order at 5 p.m. He stated that a Quorum was present.

**B. Action on Minutes**

- 1. November 15, 2006 Police Pension Board Meeting**
- 2. January 2, 2007 Police Pension Board Reorganization Meeting**

**MR. BOWMAN MOVED TO APPROVE MINUTES AS PRESENTED. MR. BISHOP WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

**C. Public Comment**

There was no public comment.

**D. Correspondence and Other Communications**

- 1. Acknowledge Receipt of Fulton Trust Company Report of October 2006**
- 2. Acknowledge Receipt of Fulton Trust Company Report of November 2006**
- 3. Acknowledge Receipt of Fulton Trust Company report of December 2006**
- 4. Acknowledge Receipt of Fulton Trust Company Report for January 1, 2006 through December 31, 2006**
- 5. Acknowledge Receipt of F.N.B. Wealth Management Report for October 2006**
- 6. Acknowledge Receipt of F.N.B. Wealth Management Report for November 2006**
- 7. Acknowledge Receipt of F.N.B. Wealth Management Report for December 2006**
- 8. Acknowledge Receipt of Payroll Contribution Reconciliation Report**

**MR. BISHOP MOVED TO ACKNOWLEDGE RECEIPT OF CORRESPONDENCE AND COMMUNICATIONS AS LISTED ON THE AGENDA, ITEMS 1 THROUGH 8. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

**E. Reports from Financial Advisors**

**1. F.N.B. Wealth Management**

**PAESE**

Mr. Joe Paese of F.N.B. Wealth Management had presented a written report to the Board. He indicated that it had been a good year and reported that the future of 2007 looked relatively good as well. He stated that there might be some opportunity in the equity market and the S&P Index; however, there are still questions in the housing area. Oil prices are volatile and the Federal Reserve had been surprisingly quiet concerning interest rates. Fourth quarter was more robust than expected with some inflation signs. Corporate earnings were strong. The equity side was more successful than anticipated. Fixed income was more volatile. Some significant adjustments were made since the last meeting. The bond market had provided a 5% coupon/yield; money market rates are at 5%; short to intermediate term rates are in the 5% range. There is a very flat yield curve. Mr. Paese reported that if the economy slows, there will be a more normalized yield curve. For some time they had been long in the bond market. They shortened it up as there may not be enough value there on the long side to take the risk. It went from a 9-year duration down to about a 4-1/2 which may drop further. As far as the international side of the equation, the dollar is weak, and there's no sign of much change. That alone does not drive the performance; however, it is a major factor on how the international equity market will play against the domestic market. They will keep the mid to overweighting in that particular area. Mr. Paese reported a quick summary of the quarter. The quarter began with \$4,442 million minus their fees, plus earnings, changes in market value of about \$181,000 bring the total to a \$4,618 million balance.

Mr. Paese provided an in-depth review of his written report, including an addendum which reflected changes to the bond portfolio as of 12/31/06. He had provided copies to the Board. He noted that the fixed income portfolio is at 28% with a current yield of 5.37%. The fixed income portfolio revealed a lot of bond maturities. The equity portfolio is slightly over 50% at 50.6%. If the economy slows during 2007 and 2008, they believe governments and agencies will perform better. Mr. Paese stated a different look on the fairly significant maturities coming due in 2011 and 2012. Their position is if the economy slows and the Federal Reserve reverses course and begins to drop rates, there should be a raise in the principle of the portfolio. In the short term it seemed to be the better hedge. If the Federal Reserve begins to raise rates, there may be a slight negative reaction, but it shouldn't hurt the fund too much.

Mr. Paese reported good results on the equity portfolio with a large cap orientation. He indicated they had clearly overweighted the portfolio in the large cap area. The growth sector didn't do very well, but the value sector, the international sector and the mid cap value area did extremely well. The small

cap fund and the large cap growth fund did not do well. Mr. Paese provided a sector breakdown of the overall portfolio. They still feel that healthcare and the drug areas will come under pressure along with real estate and energy as well.

Mr. Paese provided an overview of the equity piece. The mid-cap provided good exposure. That paid off significantly in '06. It will be underweighted to the index. Some of the individual portfolio will be shuffled. They will increase exposure to technologies.

Mr. Paese reported that as of 12/31/06 cash was at 4.6% versus a benchmark at 4.7%. The fixed portfolio came in at 2.2% versus a 4.1%. The equity performance included the Kalmar small growth fund, which under-performed at 6.1% versus the Russell at 13.3%. A review of five years shows it still beat the Russell at 8.6% versus 6.9%. The Vanguard growth fund was 9% versus the S&P at 15%. The International funds were 32.69% compared to 30.6% versus the EAFE Index at 26.34%.

Mr. Paese reported that the long-term performance quarter actually resulted in a 4.2% versus a 3.8% benchmark. The 12-month result was 9.2% versus a 9.6%. Since inception the fund is at a 7% versus the bench at a 5.3%, which he interpreted to being long in the intermediate index.

Mr. Paese referred to the 12-month figure in the equity piece at 17.1% versus the S&P at 15.8%. Since inception, the long term figures were 105% versus 7.7%, which is pretty good long-term performance. He indicated that the fund is getting very close to the long-term actuarial assumption.

**BISHOP**

Mr. Bishop asked how the decision is made between changing to a fund versus going with individual investment.

**PAESE**

Mr. Paese responded that each manager has different strategies. He indicated it was not as much on the individual side as it was in funds. There are approximately 40 funds that constantly are analyzed by their group. However, any action was based on Mr. Paese's knowledge of what Springettsbury is trying to accomplish and the asset allocation.

**DVORYAK**

Chairman Dvoryak wondered what the Township's policy was in terms of cash at 30% of the large cap.

**PAESE**

Mr. Paese responded that his recollection was that the cash and fixed was a combined allocation.

**HOSE**

Ms. Hose noted that the old policy combined both fixed and cash together

**2 Fulton Financial**

**HOSE**

Ms. Annette Hose presented the accounting portion of Fulton's report. She stated that the Market Value as of 10/1/06 was \$4,137,720.46. Total Receipts

were \$562,971.73. Total Disbursements were \$125,386.06 for a Market Value as of December 31, 2006 of \$4,575,306.13.

**DIEM**

Mr. Richard Diem presented the quick look at the economic scenario. The GDP growth in the economy is forecasted at 2.75% to 3.2% for this year. Construction seemed to be leading to a stronger economy in 2007 than was initially expected. During 2006 there was a 3.3% growth. He indicated that inflation, which usually goes in tandem with growth is actually going to drop off this year. Last year it was somewhat unique where oil prices rose to \$77 a barrel in July. The price as of this date had fallen off to about \$57 a barrel. The oil markets are very volatile.

Mr. Diem reported that corporate pieces had a very good year with 15% growth in profits; that may drop off slightly. The yield curve seemed to tilt downwards indicating lower rates and an economic slow down. Countries like China and the oil-producing nations had liquidity because oil prices were high. They could not invest all their dollars back into their own countries, so they were buyers of U. S. Treasuries, which forced the price of U. S. Treasuries down. Mr. Diem would anticipate more of a pickup and growth in the economy. He looked for the equity and bond markets and small and mid-cap stocks to underperform this year. He indicated international stocks would likely do well. The EAFA international index was up 27%.

Mr. Diem reported that the total equities made up 50% of the portfolio; fixed income made up 45%; cash is 5%. Overall the account grew 3.52% for the quarter, a little behind the benchmark at 3.88%. The equities trailed the S&P slightly at 6.11% versus 6.7%. The Vanguard Windsor II which is the large-cap value was up 6.6% versus 7.58% on that index. The small-cap did very well, 8.53% versus 8.9%. And probably the best area in total was international at 9.92% versus the EAFA index at 10.35%.

Mr. Diem reported that for the full year, the account grew 10.18% versus the benchmark of 9.97%.

Mr. Diem reviewed the Retirement Fixed Income Fund. Several different separate bonds are invested through a common trust fund, a third which are corporate, two-thirds are agencies and treasures. In total they yield 5.18%. There had been some changes made but none to the allocation. They hope the changes will boost the performance over the next year. They had moved from an index in some to more of an actively managed approach.

**F. Old Business**

**1. Update of Investment Plan: Scheduled for May 2007**

**HOLMAN**

Mr. Holman reported that the Investment Plan will be received in May, 2007 and be provided at the next meeting.

**G. New Business**

There was no new business for discussion.

**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:**

**HOLMAN**

Mr. Holman reported that there were two new personnel who came in this year, Robert Harman and Harold Kessler; however, they are not new retirees. In an internal audit review, it was discovered that Messrs. Bumsted, Edie and Nestlerode from the September minutes were not shown previously. This is their normal increase. They have already received it and should be acknowledged by the Board and on the record. Mr. Holman wanted to be sure that these names were documented. As always, these were reviewed by both the Finance Officer and the Pension Fund Actuary to insure that the increases were in accordance with the contracts.

**MR. BISHOP MOVED TO ACKNOWLEDGE THE PENSION INCREASES AS LISTED ON THE AGENDA. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

**I. Adjournment:**

**DVORYAK** Chairman Dvoryak adjourned the meeting at 5:45 p.m.

Respectfully submitted,

John Holman  
Secretary

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**SPRINGETTSBURY TOWNSHIP  
ANNUAL POLICE PENSION BOARD REORGANIZATION**

**JANUARY 2, 2007  
APPROVED**

The Police Pension Board of Springettsbury Township held the Annual Reorganization Meeting on Tuesday, January 2, 2007 at 6:00 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  
Dori Bowders, Manager of Administrative Operations  
Betty Speicher, Director, Human Resources  
Jean Abrecht, Stenographer

**1. Call to Order**

**DVORYAK** Chairman Dvoryak called the meeting to order at 6 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 MEMBERS OF THE BOARD OF SUPERVISORS TO THE POLICE PENSION BOARD. MR. SCHENCK WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

**3. Appointment of Police Officers as Representatives**

**A. Current Representatives: Lieutenant David Trott and Officer Ogden Dickerson.**

**MR. GURRERI MOVED TO APPOINT POLICE OFFICERS AS REPRESENTATIVES, PATROLMAN CHRISTOPHER FORD AND GARY D. S. UTTER. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

**4. Election of Officers**

**A. Current Chair: George Dvoryak**

**MR. GURRERI MOVED TO APPOINT GEORGE DVORYAK AS CHAIR. MR. SCHENCK WAS SECOND.**

**MR. DVORYAK CALLED FOR OTHER NOMINATIONS. HEARING NONE, HE CALLED FOR THE VOTE. NOMINATION UNANIMOUSLY CARRIED IN FAVOR OF MR. DVORYAK AS CHAIRMAN.**

**B. Current Vice Chair: Nick Gurreri**

**MR. GURRERI NOMINATED MIKE BOWMAN FOR VICE CHAIR. MR. DVORYAK WAS SECOND.**

**MR. DVORYAK CALLED FOR OTHER NOMINATIONS.**

**MR. BOWMAN NOMINATED NICK GURRERI. MR. BISHOP WAS SECOND.**

**MR. DVORYAK CALLED FOR OTHER NOMINATIONS. HEARING NONE, HE CALLED FOR THE VOTE. IN FAVOR OF MIKE BOWMAN, MR. GURRERI AND MR. DVORYAK VOTED IN FAVOR. IN FAVOR OF NICK GURRERI, MR. SCHENCK, MR. BISHOP AND MR. BOWMAN VOTED IN FAVOR. NOMINATION CARRIED IN FAVOR OF NICK GURRERI AS VICE CHAIR.**

**C. Current Secretary: John Holman**

**MR. SCHENCK NOMINATED JOHN HOLMAN AS SECRETARY. MR. BOWMAN WAS SECOND.**

**MR. DVORYAK CALLED FOR ADDITIONAL NOMINATIONS. HEARING NONE, HE CALLED FOR THE VOTE. NOMINATION UNANIMOUSLY CARRIED FOR JOHN HOLMAN AS SECRETARY.**

**5. Other Items**

**A. Meeting Dates for 2007 (5:00 p.m.)**

**February 8, 2007  
May 10, 2007  
August 23, 2007  
October 25, 2007**

**MR. DVORYAK CALLED FOR A MOTION TO APPROVE THE PROPOSED MEETING DATES FOR 2007.**

**SPRINGETTSBURY TOWNSHIP  
ANNUAL POLICE PENSION BOARD REORGANIZATION**

**JANUARY 2, 2007  
APPROVED**

**MR. SCHENCK MOVED FOR APPROVAL OF THE MEETING DATES AS LISTED ON THE AGENDA. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

**6. Adjournment**

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

Respectfully submitted,

John Holman  
Secretary

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