

**SPRINGETTSBURY TOWNSHIP
POLICE PENSION BOARD**

**FEBRUARY 23, 2017
APPROVED**

The Springettsbury Township Board of Supervisors held a Police Pension Board Meeting on Thursday, February 23, 2017 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, Vice Chairman
Bill Schenck
Blanda Nace

MEMBERS NOT

IN ATTENDANCE: Kathleen Phan, Assistant Secretary/Treasurer

ALSO IN

ATTENDANCE: Benjamin Marchant, Township Manager
Charles Rausch, Solicitor
Jessica Fieldhouse, Director of Community Development
Barbara Lindeman, Director of Finance
Dan Stump, Chief, Police Department
Renee Laychur, FNB Wealth Management
Mark Renzini, FNB Wealth Management
Jean Abreght, Stenographer

1. CALL TO ORDER

SWOMLEY Chairman Swomley called the Police Pension Board meeting to order. He certified that a Quorum was present.

2. ACTION ON MINUTES

- A. Police Pension Board Minutes – November 2, 2016
- B. Police Pension Board Reorganization Meeting Minutes – January 3, 2017

MR. SCHENCK MOVED TO APPROVE MINUTES OF THE POLICE PENSION BOARD MEETING OF NOVEMBER 2, 2016 AND ALSO JANUARY 3, 2017. MR. NACE 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 Payroll Pension Contribution Reconciliation Report for Police Pension Fund (4th Quarter)
- (2) Acknowledge Receipt of FNB Management Report for October, 2016
- (3) Acknowledge Receipt of FNB Management Report for November, 2016
- (4) Acknowledge Receipt of FNB Management Report for December, 2016
- (5) Acknowledge Receipt of FNB Management Report for January, 2017

MR. DVORYAK MOVED TO ACKNOWLEDGE RECEIPT OF AGENDA ITEMS LISTED AS 1 THROUGH 5. MR. NACE WAS SECOND. MOTION UNANIMOUSLY CARRIED.

5. REPORTS FROM FINANCIAL ADVISORS

RENZINI Mark Renzini, FNB Wealth Management presented the Net Asset Summary. He noted that the fund had been relatively flat over the fourth quarter; however, the report for the year indicated a good return.

The Beginning Market Value as of 1/1/16 was \$13,449,000. Contributions were \$1.6 million. Distributions were \$877,000 and Total Income was \$301,000. Market appreciation was \$383,000 with an ending Market Value of \$14,864,000, almost \$1.5 million higher than at the beginning of the year 2016.

LAYCHUR Renee Laychur presented an overview of the portfolio provided to the board in a written report. A few highlights of her report follows:

Section II –

- The election provided a market rally. Oil and stocks began to recover.
- 10-Year interest rates remained below 2% until election; rose sharply after election.
- Fourth Quarter Market Highlights – Russell 2000 was best performer along with Mid-cap and Small cap stocks, which were up over 21%. S&P 500 was up almost 12% for the year.
- Fixed Income - Federal Reserve raised short-term rate by 25 basis points.
- Equity Returns- Small Caps outperformed Large and Mid-Caps for quarter.
- Individual equity positions outperformed funds for fourth quarter.
- Best performers for quarter and the year were individual stocks; energy and financials; worst sector was healthcare.

Section III –

- Portfolio Asset Allocation: 53% equities; 44.6 fixed income; 2% cash.

SCHENCK Mr. Schenck raised a question concerning 53% in equities and what the future plan would be.

LAYCHUR Ms. Laychur responded that she planned to take a few gains; however, she suggested that the Investment Policy should be revisited.

SCHENCK Mr. Schenck asked how far off she could go.

LAYCHUR Ms. Laychur responded that it can go 57/58 in that range. She indicated she would follow up with Manager Marchant to schedule a discussion on the IPS for the next meeting.

RENZINI Mr. Renzini commented on a notation on the Equity Holdings Sector Overview and called attention to the last line item “Real Estate”, which is a new sector. He stated it formerly had been included in financials; now it is broken out.

LAYCHUR Ms. Laychur noted that they had added some holdings and transactions to the portfolio. They plan to add some individual bonds. She reported the Investment results:

- Fixed Income was up 2.1%; Equities up 8.52%. Over five years were slightly over 6.5% net of fees since 2002.
- January Net of Fees report indicated 9.55% up year over year. As of mid-February the account was up 3.31% with Fixed Income up .8% and Equity up 5.96 beating the benchmark slightly for year-to-date.

LAYCHUR Ms. Laychur spoke of the economy looking a little better. There was a very good Third Quarter GDP, over 3%. Year over year results ended up at 1.8% less than 2%. The economy is looking a little better. People are feeling better about the economy, which should be good for the equity markets. Citizens are looking forward to what will happen with tax reform. Federal Reserve will likely continue to raise rates. U. S. 10-year Treasuries are much higher than anywhere else in the world. The U. S. has the largest and one of the strongest economies and best credit ratings in the world. A Japanese pension buyer, 2.5% on a 10-year Treasury verses about 5 or 10 basis points on theirs is a big yield difference. So there is a lot of foreign interest in purchasing U. S. securities due to the higher rates. New home construction will be a good stimulus to the economy. Affordable care reform will put pressure in the healthcare sector and pharmaceutical pricing; still a lot of demand. Oil prices are stuck at about \$50 a barrel. Autos continue to sell although the average age of cars are still pretty old.

RENZINI Mr. Renzini commented that they will follow up on the Investment Policy specifically with the equity allocation which will be addressed next quarter.

6. OLD BUSINESS

There was no Old Business.

7. NEW BUSINESS

A. Acknowledge COLA Payment Increase to Michael Sciangula from \$3,744.69 to \$3,829.29 effective March 1, 2017 as stated in Mr. Zimmerman's attached letter. Mr. Sciangula should also receive a one-time payment for January and February, 2017 totaling \$158.28.

MR. SCHENCK MOVED TO ACKNOWLEDGE COST OF LIVING INCREASE TO MICHAEL SCIANGULA INCREASED TO \$3,829.29 EFFECTIVE MARCH 1ST AND ALSO TO INCLUDE A ONE-TIME PAYMENT OF \$158.80. MR. NACE WAS SECOND. MOTION UNANIMOUSLY CARRIED.

8. COMMITTEE MOTIONS

There were no Committee Motions

9. ADJOURNMENT

SWOMLEY Chairman Swomley adjourned the meeting at 6:20 p.m.

Respectfully submitted,

Kathleen Phan
Secretary

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