

**SPRINGETTSBURY TOWNSHIP  
POLICE PENSION BOARD**

**FEBRUARY 24, 2022  
APPROVED**

The Springettsbury Township Board of Supervisors held a Police Pension Board Meeting on Thursday, February 24, 2022 at 6:00 p.m. at the offices of York Area United Fire and Rescue located at 50 Commons Drive, York, Pennsylvania.

**MEMBERS IN**

**ATTENDANCE:** Mark Swomley, Chairman  
George Dvoryak, Vice Chairman  
Charles Wurster, Secretary  
Don Bishop (Zoom)  
Alex Schrift, Police Department Representative  
Tessa Miller, Police Department Representative

**NOT PRESENT:** Robert Cox

**ALSO IN**

**ATTENDANCE:** Mark Hodgkinson, Township Manager  
Mark Renzini, F.N.B.  
Adam Runk, F.N.B.  
Dori Bowders, Director of Administrative Operations  
Todd King, Police Chief  
Terry Hummel, Director of Finance  
Abby Gibb, Communications Manager  
Jean Abreght, Stenographer

**1. CALL TO ORDER**

**SWOMLEY** Chairman Swomley called the Police Pension Board Meeting to order.

**2. ACTION ON MINUTES**

- A. Police Pension Board Meeting Minutes – November 17, 2021
- B. Police Pension Board Reorganization Meeting Minutes – January 3, 2022

**MR. DVORYAK MOVED FOR APPROVAL OF THE NOVEMBER 17, 2021 AND JANUARY 3, 2022 MINUTES AS PRESENTED. MR. WURSTER WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

**3. PUBLIC COMMENT**

There were no Public Comments.

**4. CORRESPONDENCE AND OTHER COMMUNICATION**

- A. Police Pension Reports:
  - (1) Acknowledge Receipt of Fourth Quarter Payroll Pension

- Contribution Reconciliation Report
- (2) Acknowledge Receipt of November 30, 2021 F.N.B. Management Report
  - (3) Acknowledge Receipt of December 31, 2021 F.N.B. Management Report
  - (4) Acknowledge Receipt of January 1, 2021 through December 31, 2021 F.N.B. Management Report
  - (5) Acknowledge Receipt of January 31, 2022 F.N.B. Management Report

**MR. WURSTER ACKNOWLEDGED RECEIPT OF THE FIVE REPORTS LISTED ON THE AGENDA. MR. DVORYAK WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

## **5. REPORTS FROM FINANCIAL ADVISORS**

- A. F.N.B. Wealth Management

**RENZINI** Mark Renzini began the F.N.B. report by stating from a market standpoint it has been an eventful day. He indicated he and Adam have been discussing the events happening throughout the day, and despite the geopolitical things going on they had a market that bounced back today and finished slightly higher.

**RUNK** Adam Runk stated it was a large intra-day movement for the stock market of approximately 5% looking from where the market began with the day down 3½%. The S&P 500 ended the day up 1½%. He referred to the prospect of Russia invading Ukraine which he determined is not a significant market event economically. The only real issue to the U.S. is the potential for sanctioning Putin's crude oil preserves. That did not happen as was announced throughout the day. Mr. Runk indicated they felt Putin acted opportunistically. Those sanctions have not unfolded and that was the biggest ramification from the U.S. Sales from U.S. companies is about .01% so they are a minute trading partner. So that will not affect most of the portfolio for the pension. Most of the pullback lately is centered around high inflation and the federal reserves coinciding with a change of heart from nine months ago when inflation was transitory. The federal reserve is actively selling their bonds and inventory.

In addition, there has been a turn of events in federal government spending which was widely expected and was a consideration that a 4½ trillion-dollar deal was going to go through which was effectively axed by several moderate senators in various ways. From both a fiscal and monetary point of view government support has at least waned. He noted they are still in an accommodative environment from a monetary policy perspective in that interest rates are still very low, even though they are rising – in a 10-year period they rose from 1.2% to 2.0%. They do not expect the federal reserve to have to raise rates continually for 3-4 years to

get inflation under control. Their viewpoint is that federal reserve will raise rate quickly to 1% and then move in a data dependent fashion thereon.

**RUNK** Mr. Runk stated he had two reports to review - one is month reporting which shows how they performed as of January month end vs. the index. The other report is from yesterday and provides a more accurate picture of the current balance. It does not show the indexes which are displayed monthly.

Mr. Runk stated for month end back 12 months they had a significant market appreciation even with the decline of 4% on a year to day basis as of the end of January. On a 12-month basis the portfolio had a 7.5% return vs. the benchmark of 4.88% which includes the amendment made by the group for the benchmark to be slightly more aggressive in equities.

Mr. Runk indicated they are currently on a neutral basis for the equity weighting, although it is expected to rise to an overweight position, given they are probably past the worst of the market volatility. Although he expects some additional volatility as the Russian news will hang in the headlines for a few weeks, people will look to see how the federal reserve reacts as the market digests the changing environment.

Mr. Runk stated they have had over the past 12 months excellent performance. The equity percentage was 16.72% vs. the benchmark at 16.3% and the fixed income percentage was a decline of 1.66% vs. the benchmark of -2.62%. Both equity and fixed income strategies were beneficial the past 12 months as well as the equity overweight in the portfolio. That has gone through to the three-year performance where they averaged 10.71% for each year. The equity results have done well – 18% the past three years vs. the benchmark of 16.6% and the fixed income at 3.5% returns vs. the index return of 3.05%.

Mr. Runk pointed out the negative number next to the fixed income which is a result of price movement of the bonds due to interest rates rising from 1.2% to now at approximately 2% currently for the 10 year period, as well as the shorter end of the interest rate curve which also affects some of the rising bonds.

**RENZINI** Mr. Renzini indicated for the 12-month rolling period ending January 31, 2022, they started with a total portfolio value \$21.242 million. Income earned \$353,000 minus fees of \$65,000. A big gain over the period nearly \$1.3 million in the portfolio value, including accrued income at the end of month - \$22,828.917 on a total return basis is 7.85% for that period.

**RUNK** Mr. Runk stated he ran the report as of February 23, which does not show results for today which was a positive 1½% return so it will be better in terms of performance for the equity portion. There is a significant pullback on the equity side as of February 23, 2022. There has been a significant drop in the equity portion since then. This is a preview of where they are at now, instead of being

down 4% they are down about 8% to give a preview of the current results which are more recent. This is particularly bad, and it does not show the recent performance the markets have which is up approximately 1½%. They expect some volatility going forward but ultimately do not believe this is a significant economic event that is likely to result in a recession or major economic slowing in growth.

**WURSTER** Mr. Wurster asked about the prospect for an economic recovery, do they have a flattening yield curve and are there indications this persistence inflation could choke some growth and give a higher probability of a recession in the next few months.

**RUNK** Mr. Runk stated the concern of a fed error in over-tightening or possibly a stagflation environment. He conceded it is potentially a risk, however the federal reserve is also executing unprecedented behaviors to get inflation under control. He alluded to the transitory nature of some of the events with the supply chain, and stated he was confident the supply chain issues are waning along with being in a higher demand situation now which should aid in muting inflation to a degree along with the federal reserve's action. They believe by 2023 inflation will be less of a concern.

**SWOMLEY** Chairman Swomley stated there was a report from MBA which indicated the refinance index plunged 16% the previous week and was 56% lower than the same week one year ago. He asked how does the housing market impact that as well.

**RUNK** Mr. Runk stated some of that is rising rates when looking at longer term mortgage rates. The pandemic drove interest rates on the long end down very far. A lot of people were waiting to refinance at that point. He noted as interest rates recover, they are looking at a 10-year period by year end around 2½ to 3%. It is unlikely to see refinancing activity pick up for some time. Over time higher interest rates will also act as a lead for housing inflation.

**DVORYAK** Mr. Dvoryak asked for two items for future reports. The first would be when reporting on returns to include a line which shows the return net of fees.

**RUNK** Mr. Runk indicated he would include it and will send a report that shows the net of fees after the meeting.

**DVORYAK** Mr. Dvoryak indicated the second item would be when listing the asset allocation show where that position is within the investment policy statements.

**RUNK** Mr. Runk indicated he would show it and noted he will send a report showing where the international stocks are located. He pointed out on the report where the percentage in equity and fixed income is shown on a current basis vs. the investment policy statement that is revised for equity weight. When combining

domestic international the mutual point is 57½% and they are at 56.9%. He further noted they are slightly underweight on the equity side, 40.9% on the bond side and the mutual point is 37.5% on the fixed income or bond side.

**6. OLD BUSINESS**

There was no Old Business.

**7. NEW BUSINESS**

- A. Acknowledge COLA Payment Increase to David Trott from \$4,966.76 to \$5,339.27 effective April 1, 2022 as stated in Mr. Cramer's letter. Mr. Trott should also receive a one-time lump sum payment of \$399.12 for the month of March and two days in February 2022.
- B. Acknowledge COLA Payment Increase to Michael Sciangula from \$4,155.18 to \$4,366.84 effective March 1, 2022 as stated in Mr. Cramer's letter. Mr. Sciangula should also receive a one-time lump sum payment of \$396.01 for the month of February and 27 days in January 2022 (Final COLA).
- C. Acknowledge COLA Payment Increase to William Hazeley from \$4,115.08 to \$4,370.21 effective January 1, 2022 as stated in Mr. Cramer's letter. Mr. Hazeley should also receive a one-time lump sum payment of \$510.26 for the months of November and December 2021.

**MR. DVORYAK MOVED TO ACKNOWLEDGE THE THREE COLA PAYMENT INCREASES AS LISTED ON THE AGENDA A, B AND C. MR. WURSTER WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

**8. COMMITTEE MOTIONS**

There were no Committee Motions.

**9. ADJOURNMENT**

**SWOMLEY** Chairman Swomley adjourned the meeting at 6:25 p.m.

Respectfully submitted,

Charles Wurster  
Secretary  
/ses