

**SPRINGETTSBURY TOWNSHIP
POLICE PENSION BOARD**

**MAY 24, 2018
APPROVED**

The Springettsbury Township Board of Supervisors held a Regular Meeting of the Police Pension Board on Thursday, May 24, 2018 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
Corporal John Lawton, Police Department Representative

MEMBERS NOT

IN ATTENDANCE: Sgt. Brian Wilbur, Police Department Representative
Kathleen Phan
George Dvoryak
Blanda Nace
Charles Wurster

ALSO IN

ATTENDANCE: Benjamin Marchant, Township Manager
Renee Laychur, F.N.B. Wealth Management
Teresa Hummel, Finance Director
Jessica Fieldhouse, Director of Community Development
Jean Abrecht, Stenographer

1. CALL TO ORDER

SWOMLEY Chairman Swomley called the meeting of the Police Pension Board to order. He announced that a Quorum was not present; however, the meeting would be informational.

2. ACTION ON MINUTES

A. Police Pension Board Meeting Minutes – February 22, 2018

No action was taken due to lack of a Quorum.

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 (1st Quarter)
- (2) Acknowledge Receipt of February 2018 FNB Management Report
- (3) Acknowledge Receipt of March 2018 FNB Management
- (4) Acknowledge Receipt of April 2018 FNB Management Report

No action was taken due to lack of a Quorum.

5. REPORTS FROM FINANCIAL ADVISORS

A. F.N.B. Wealth Management

LAYCHUR Renee Laychur of F.N.B. Wealth Management presented the Net Asset Summary Year to Date First Quarter: Beginning Market Value as of 1/1/18 was \$16,823,485.75. Employee Contributions were \$40,593.57; Paid Benefits were \$169,989.31; Expenses were \$13,422.12 and Other Payments were \$33,256.35 for Total Distributions of \$216,667.78.

Interest Income amounted to \$10,332.86 and Dividends were \$64,159.81 for Total Income of \$74,492.67. Realized Gains, \$122,573.93, Accrued Income, \$2,567.90 and Market Appreciation was \$(234,304.35). It was the first time in a long time that the Market Value went down over the first quarter. The Ending Market Value was \$16,612,741.69.

January was a great month with the market up almost 6% for the month with no volatility. The S&P dropped very shortly over 10%. Interest rates rose sharply topping 3%; however, long term rates are very low by historical terms. The Federal Reserve Board raised rates in March, and an additional raise is expected in June. Jerome Powell replaced Janet Yellen as the new Chair. Two-Year Treasuries rose more than 10-Year Treasuries during the quarter. First Quarter Highlights indicated that the S&P Growth Index and the MSCI Emerging Markets were the best performers for 2017. They were the only two major indexes with positive returns. Growth continued to outperform value. Fixed Income revealed losses worse than Equities through the end of April.

Ms. Laychur moved through the portfolio report which was provided to the board. She noted that the economy is growing nicely and there is no recession in sight for 2018. Corporate earnings are growing. The mid-term elections will be a focus. She mentioned oil prices which had risen to over \$70 a barrel with over \$3.00 at the pump, which is somewhat concerning as it flows into other things.

The unemployment rate is 3.9%, the lowest in many years. Global instability is important to watch with the tariff discussions as well as the North Korean summit cancellation. She noted that the housing market is good with not enough existing homes to purchase.

MARCHANT Mr. Marchant questioned the potential for inversion through the two-year Treasury and the 10-year Treasury and the result of a recession that follows.

LAYCHUR Ms. Laychur responded that she was familiar with inverted yield curves, which statistically predicted 18 of the last 13 recessions. The mitigating factor is that central banks globally are involved in long-term interest rates. The U. S. economy is the largest, strongest and most credit worthy, which results in lower yields. Germany and Japan are close to zero. Japan's 10-year Treasury is at zero. The U. S. is the highest with the best credit even though the dollar is moving around. She does not think the U.S. is near inversion yet. She plans to do some research for the next meeting for further discussion.

6. OLD BUSINESS

There was no Old Business.

7. NEW BUSINESS

There was no New Business

8. COMMITTEE MOTIONS

There were no Committee Motions

9. ADJOURNMENT

SWOMLEY Chairman Swomley adjourned the meeting at 6:35 p.m.

Respectfully submitted,

Kathleen Phan
Secretary

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