

**SPRINGETTSBURY TOWNSHIP  
POLICE PENSION BOARD**

**AUGUST 24, 2023  
APPROVED**

The Springettsbury Township Board of Supervisors held a Police Pension Board Meeting on Thursday, August 24, 2023 at 6:00 p.m. at the Municipal Complex, 1501 Mt. Zion Road, York, Pennsylvania.

**MEMBERS IN**

**ATTENDANCE:** Mark Swomley, Chairman  
George Dvoryak, Vice Chairman  
Charles Wurster  
Robert Cox  
Don Bishop (Zoom)

**ALSO IN**

**ATTENDANCE:** Mark Hodgkinson, Township Manager  
Tessa Miller, Detective  
Adam Runk, F.N.B.  
Mark Renzini, F.N.B.  
Dori Bowders, Director of Administrative Operations  
Todd King, Chief of Police  
Angel Diaz, HR Assistant  
Sue Sipe, Stenographer

**1. CALL TO ORDER**

**SWOMLEY** Chairman Swomley called the Police Pension Board Meeting to order. A quorum was established.

**2. ACTION ON MINUTES**

A. Police Pension Board Meeting Minutes – May 25, 2023

**MR. DVORYAK MOVED FOR APPROVAL OF THE MAY 25, 2023 MINUTES AS PRESENTED. MR. COX 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 Second Quarter Payroll Pension Contribution Reconciliation Report

- (2) Acknowledge Receipt of May 31, 2023 F.N.B. Management Report
- (3) Acknowledge Receipt of June 30, 2023 F.N.B. Management Report
- (4) Acknowledge Receipt of July 31, 2023 F.N.B. Management Report

**MR. DVORYAK MOVED TO ACKNOWLEDGE RECEIPT OF THE FOUR REPORTS LISTED ABOVE. MR. COX WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

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

### **A. F.N.B. Wealth Management**

**RENZINI** A copy of the Performance Statement Investment Activity report was submitted to Board Members as of July 31, 2023. Mr. Renzini indicated the balance of the plan is higher than the previous year. The return is higher than the previous year as well.

**RUNK** Mr. Runk provided an overview of the Domestic economic and market investment outlook noting there was a strong GDP growth during the past quarter of 2.4% and a 2% growth in the 1<sup>st</sup> quarter. He indicated services based inflation has recently fallen and they are starting to see relative to the labor market some slowing down of jobs.

Mr. Runk stated from a debt servicing standpoint, consumers are in a good position and they are assured from a labor standpoint there are no mass job layoffs. This provides the consumer a level of confidence from a spending standpoint which usually leads to higher inflation.

They expect slowing economic growth over the next several months as the Fed continues to fight against inflation and getting it down to 2% projectory.

Mr. Runk stated they expect the next CPI report to be higher given that transportation costs have bounced back, specifically the cost of gas, as well as medical inflation.

Mr. Runk indicated they have done research and investigation on AI as a major investment theme. He noted numerous business listed in the portfolio have benefitted from AI advancing YTD. Particularly, NVIDIA, Microsoft and Google have been beneficiaries from AI exposure. Mr. Runk spoke to how AI applications will affect various industries in the future.

Turning to the International side, Mr. Runk indicated that China's GDP has begun to slow down, noting they are a significant portion of the global economy.

Another major change is the Bank of Japan, messaging they are going to allow interest rates to rise. He explained why Japan's yields would affect U.S. yields which he noted involves security trade position. They would expect that to raise U.S. rates across the board. In addition, U.S. was downgraded by Fitch which caused longer term yields to slightly increase.

Mr. Runk stated positioning-wise, they continue to maintain a smaller underweight to international exposure and they have a slight overweight to US stocks, since they believe there are still upwards projectory for the US stock market in the near term, not as significant as before, but they have benefitted from that rise and will be looking to pull it back eventually to more of a neutral position on their stock overweight.

Mr. Runk indicated the performance brought 10.5% YTD slightly behind the benchmark. Coming from the equity side, there is slightly more defensive positioning with some of their defense names that have not yet appreciated. They believe with US stock piles being fairly small, they would expect defense spending will pick up more in the coming years. Maintaining their equity overweight has helped the portfolio's positioning. He pointed out the summary of where they began 12 months ago and the current position with half of it coming from the income earned in the portfolio as well as the market appreciation.

Holdings by Asset Class – Mr. Runk pointed out they were more conservative and have moved fully to the 60-40 mixture to pick up a higher return over the long term. He believed over the next five years they will see a better economic performance with a new era of innovation centered around AI applications.

He noted in the Technology sector is where the majority of the performance has recently come from, particularly growth on NVIDIA has been a large contribution performance – up 240%, Microsoft – main driver of the performance up YTD as well.

**WURSTER** Mr. Wurster referred to Page 9 and asked if it would make sense to go heavier in bonds in longer duration since it could be at the peak of the interest rate cycle.

**RUNK** Mr. Runk agreed this would be the time to not only look to increase the bond allocation back to target, and to lengthen the average maturity of the bond portfolio, given that now longer term interest rates coming up on the treasury side will lend itself to what could be a once in a long-time opportunity to lock in rates that are closer to the Pension's actuarial rate.

**SWOMLEY** Chairman Swomley thanked Mr. Renzini and Mr. Runk for their report.

- B. Acknowledge Receipt of Conrad Siegel's Act 205 Police Pension Actuarial Valuation as of January 1, 2023

**MR. WURSTER MOVED TO ACKNOWLEDGE RECEIPT OF CONRAD SIEGEL'S  
ACT 205 POLICE PENSION ACTUARIAL VALUATION AS OF JANUARY 1, 2023.  
MR. COX WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

**6. OLD BUSINESS**

There was no Old Business.

**7. NEW BUSINESS**

- A. Acknowledge COLA Payment Increase to Robert Soop from \$1,148.53 to \$1,194.47 effective August 1, 2023 as stated in Mr. Cramer's letter. Mr. Soop should also receive a one-time lump sum payment of \$75.04 for the month of July and 19 days in June, 2023
- B. Acknowledge COLA Payment Increase to David Eshbach from \$4,582.58 to \$4,720.06 effective September 1, 2023 as stated in Mr. Cramer's letter. Mr. Eshbach should also receive a one-time lump sum payment of \$150.78 for the month of August and 3 days in July, 2023.
- C. Acknowledge COLA Payment Increase to Scott Laird from \$5,035.33 to \$5,072.63 effective September 1, 2023 as stated in Mr. Cramer's letter. Mr. Laird should also receive a one-time lump sum payment of \$67.38 for the month of August and 25 days in July, 2023.

**MR. DVORYAK MOVED TO ACKNOWLEDGE COLA PAYMENTS A, B AND C AS  
LISTED ABOVE. MR. WURSTER WAS SECOND. MOTION UNANIMOUSLY  
CARRIED.**

**8. COMMITTEE MOTIONS**

There were no Committee Motions.

**9. ADJOURNMENT**

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

Respectfully submitted,

Charles Wurster  
Secretary  
/ses