

**SPRINGETTSBURY TOWNSHIP
POLICE PENSION BOARD**

**AUGUST 25, 2022
APPROVED**

The Springettsbury Township Board of Supervisors held a Police Pension Board Meeting on Thursday, August 25, 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 (via Zoom)
George Dvoryak, Vice Chairman
Charles Wurster
Robert Cox
Don Bishop (Zoom)

ALSO IN

ATTENDANCE: Mark Hodgkinson, Township Manager
Det. Tessa Miller, Police Representative
Mark Renzini, F.N.B.
Adam Runk, F.N.B.
Dori Bowders, Director of Administrative Operations
Abby Gibb, Communications Manager

1. CALL TO ORDER

DVORYAK Vice Chairman Dvoryak (acting on behalf of Chairman Swomley due to audio issues) called the Police Pension Board Meeting to order.

2. ACTION ON MINUTES

- A. Police Pension Board Meeting Minutes - February 24, 2022
- B. Police Pension Board Meeting Minutes - May 26, 2022

MR. WURSTER MOVED FOR APPROVAL OF THE FEBRUARY 24, 2022 AND MAY 26, 2022 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, 2022 F.N.B. Management Report
- (3) Acknowledge Receipt of June 30, 2022 F.N.B. Management Report
- (4) Acknowledge Receipt of July 31, 2022 F.N.B. Management Report

MR. WURSTER MOVED TO ACKNOWLEDGE RECEIPT OF THE FOUR REPORTS LISTED ON THE AGENDA. MR. COX WAS SECOND. MOTION UNANIMOUSLY CARRIED.

5. REPORTS FROM FINANCIAL ADVISORS

A. F.N.B. Wealth Management

RENZINI Mr. Renzini stated Mr. Runk would present the economic and market outlook, specifically relating to challenges faced in the first seven months of this year, and how the plan is performing versus the established benchmarks given the asset allocation.

RUNK Mr. Runk indicated the second quarter was better than the first quarter with a rebound in the market, coinciding with crude oil peaking this quarter. He provided the following information:

- He pointed out a significant reduction in WTI.
- They have seen recoups overall slightly increase but are still below pre-Covid levels.
- Recession fears are mostly responsible for the fall in crude oil.
- There is a significant slowdown in Chinese activity related to a zero Covid strategy and other factors.
- Tensions continue in the Middle East causing demand reduction on a global basis. There are concerns of the U.S. entering into recession.
- The labor market has been fairly tight with no massive layoffs and few hiring freeze announcements.
- Part of the trend for the past 10-15 years is a falling labor force participation rate, which involves a percentage of the population looking for work.
- They are seeing less people working especially in the younger generation with the Millennial generation entering the workforce in the early 2000's.
- Also, with the Baby Boomer generation gradually retiring from the workforce.
- Because of the mild recession it will be more difficult for inflation to moderate.
- They believe there are beneficial headwinds to inflation which will occur in the next several months and do not feel they are in a dire economic crisis event.

Mr. Runk stated due to the volatility of the market he sent both month end results next to the benchmark data as of August 17, 2022.

- Gain vs. benchmark in the past month – YTD down vs. the benchmark primarily due to the growth tilt of approximately 1%.
- Equity results – fixed income results have performed well vs. the aggregate and a slightly shorter maturity on average than the benchmark.
- Interest rates have risen significantly.
- Negative returns on the bond section which are when the stock market is down significantly and interest rates are on a trajectory to fall which benefits bond returns.
- They have position-wise a large underweight to international and emerging markets.
- Their overall target on the equity side is an overweight by approximately 3% and 3% underweight to their cash target within the portfolio.

RENZINI Mr. Renzini pointed out on the equity side they are slightly behind on the benchmark, but because of their growth tilt in the last few months some of the growth stocks have been downwardly adjusted much more than the market overall. On the fixed income side because of their positioning, he noted they are ahead of the benchmark.

DVORYAK Mr. Dvoryak asked what will they be looking for which would be an indication to increase or move back towards the target on the international equities.

RUNK Mr. Runk responded they would like to see an alleviation in the energy markets, especially on the natural gas side. He also noted the business environment within Europe is becoming less centric and is still not as favorable long-term with the U.S.

WURSTER Mr. Wurster asked Mr. Runk to comment on how they are managing the fixed income in the current environment.

RUNK Mr. Runk stated their overall duration on the portfolio is lower than the overall benchmark. As the recession is likely to be mild, they think it will be likely to see the Fed hike rates beyond what even markets still expect which they are continuing to remain slightly short on an average duration basis. He noted they are not making large duration bets by taking large variances vs. the benchmark, but continuing to have their corporate overweight as they believe the higher bond will pay off as they see an enterprising interest rate environment.

RENZINI Mr. Renzini asked if there have been any difficulties with filling vacant positions both on the police side and municipal employee side for Springettsbury Township. He noted another municipality has been experiencing difficulties filling vacancies.

HODGKINSON Mr. Hodgkinson stated the Township utilizes a consortium, so they do not have open applications directly for Springettsbury Township. He noted over the

past several years he has seen less numbers coming out of that consortium. But they have not had any issues filling job openings.

6. OLD BUSINESS

There was no Old Business.

7. NEW BUSINESS

- A. Acknowledge COLA Payment Increase to Robert Soop from \$1,057.58 to \$1,148.53 effective August 1, 2022 as stated in Mr. Cramer's letter. Mr. Soop should also receive a one-time lump sum payment of \$148.55 for the month of July and 19 days in June, 2022.
- B. Acknowledge COLA Payment Increase to David Eshbach from \$4,200.35 to \$4,582.58 effective September 1, 2022 as stated in Mr. Cramer's letter. Mr. Eshbach should also receive a one-time lump sum payment of \$419.22 for the month of August and 3 days in July, 2022.
- C. Acknowledge COLA Payment Increase to Scott Laird from \$4,615.33 to \$5,035.33 effective September 1, 2022 as stated in Mr. Cramer's letter. Mr. Laird should also receive a one-time lump sum payment of \$758.71 for the month of August and 25 days in July, 2022.

MR. WURSTER MOVED TO ACKNOWLEDGE THE COLA PAYMENT INCREASE ADJUSTMENTS FOR ROBERT SOOP, DAVID ESHBACH AND SCOTT LAIRD. MR. COX WAS SECOND. MOTION UNANIMOUSLY CARRIED.

8. COMMITTEE MOTIONS

There were no Committee Motions.

9. ADJOURNMENT

DVORYAK Vice Chairman Dvoryak adjourned the meeting at 6:32 p.m.

Respectfully submitted,

Charles Wurster
Secretary
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