

**SPRINGETTSBURY TOWNSHIP  
POLICE PENSION BOARD**

**SEPTEMBER 8, 2016  
APPROVED**

The Springettsbury Township Board of Supervisors held a meeting of the Police Pension Board on Thursday, September 8, 2016 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**

**PRESENT:** Kathleen Phan, Secretary

**ALSO IN**

**ATTENDANCE:** 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. With a Roll Call, Chairman Swomley determined a Quorum was present with Messrs. Schenck, Nace, Dvoryak and himself.

**2. ACTION ON MINUTES**

A. Police Pension Board Meeting Minutes – May 26, 2016

**MR. SCHENCK MOVED TO APPROVE MINUTES OF THE MAY 26<sup>TH</sup> POLICE PENSION BOARD MEETING. MR. DVORYAK WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

**3. PUBLIC COMMENT**

There was no public comment.

**SCHENCK** Mr. Schenck commented on the new accounting standard requirements to show the pension liability on the financial statement. It changes the look of the statements significantly. It is important to be prepared for it during budget time. It won't change anything other than where it must be shown. However, it can seem as though there is a need to raise large revenue that is not in the budget.

**4. CORRESPONDENCE AND OTHER COMMUNICATIONS**

A. Police Pension Reports

- (1) Acknowledge Receipt of Payroll Pension Contribution Reconciliation Report for Police Pension Fund (2<sup>nd</sup> Quarter)
- (2) Acknowledge Receipt of FNB Management Report for May 2016
- (3) Acknowledge Receipt of FNB Management Report for June 2016
- (4) Acknowledge Receipt of FNB Management Report for July 2016

**MR. DVORYAK MOVED TO ACKNOWLEDGE RECEIPT OF THE POLICE PENSION REPORTS 1 THROUGH 4 AS LISTED ON THE AGENDA. MR. SCHENCK WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

**5. REPORTS FROM FINANCIAL ADVISORS**

**LAYCHUR** Renee Laychur began by introducing her new partner, Mr. Mark Renzini, CPA, Vice President. She had provided Mr. Renzini's bio for the board members.

**RENZINI** Mr. Renzini indicated he would make sure everyone has all his contact information.

**LAYCHUR** Ms. Laychur asked Mr. Renzini to present the Net Asset Summary in Section 1 of the report.

**RENZINI** Mr. Renzini provided the Net Asset Summary results for the Second Quarter. The beginning market value as of 4/1/16: \$14,077,302.49; Contributions were \$38,624.28 and Distributions were \$220,623.82. Income amounted to \$185,809.84 with an Ending Market Value as of 6/30/16 of \$14,131,962.20, which is a net increase for the quarter.

Following that, Mr. Renzini presented a Net Asset Summary Year-To-Date as of 6/30/16. Beginning Market Value was \$13,449,625.41. Contributions were \$854,353.27; Distributions were \$435,330.76; Total Income was \$115,789.46 with some Market Appreciation of \$278,287.53 for a Total Ending Market Value as of 6/30/16 of \$14,131,962.20.

**LAYCHUR** Ms. Laychur had provided a complete portfolio report to the board. She reviewed all the sections. A summary of her report follows:

- Second quarter highlights revealed some rebound following a dismal first quarter. All major indices in the quarter were positive except for the NASDAQ.
- Unemployment fell to 4.9%; however, over the quarter job growth averaged gains of 146,000 per month.

- Brexit vote affected markets around the world. Bonds rallied, new lows in Treasuries. British interest rates dropped significantly; however, the rates have rebounded.
- Election statistics: if market is up 3 months before election, incumbent wins; if market is down, incumbent party loses.

**RENZINI** Mr. Renzini noted that Pennsylvania is standing out in this election having spent the most money in the country of any senate race.

**LAYCHUR** Additional comments from the portfolio, summarized:

- Market highlights, good quarter; best performer was mid-cap index; worst was the EAFE.
- Fixed Income returns – U.S. rates have fallen from beginning of quarter with U.S. 10-year Treasury yield down from 1.83%; ended quarter at 1.47%. Fixed Income Portfolio up for the quarter, 1.89% vs. benchmark of 1.58%.
- \$10 Trillion in global debt is trading at negative yields.
- Second Quarter Equity Returns up 1.56% versus benchmark of 2.45%.
- TINA: Acronym for There is no Alternative to Stocks.
- Best performing sectors have been high dividend yielding sectors, small sectors of telecom and utilities.
- S&P is up 7.82% value beating growth.
- Asset Allocation - Portfolio value \$14,342,280.
- Overall Asset Allocation by sub categories: largest categories are large cap US and investment grade bonds.
- Fixed Income Allocation – bonds due in 2018 with yield of 2.81%.
- Equity Allocation – 52% large-cap US. International 20%, emerging markets, 5%.
- Holdings and Transactions – Fixed Income rolls into the Equities.
- Investment Results, 6/30/16 net of fees up .56 for the month vs. benchmark of .51.
- Year-to-date Equities up 5.84%; five year results, 6.70%.

**LAYCHUR** Ms. Laychur referred the board to the last few pages in Section VI, which showed the Exception Report. The items highlighted in red are exceptions from the Investment Policy Statement. She indicated several exceptions which included American Funds International Growth and Income with an average rank of 52; should be 35 or less. Federated Strategic Value, a big dividend paying fund; has more individual holdings in the top 10% than the policy approves. The T. Rowe Growth Stock Fund has slightly more. The Federated Intermediate Corporate Bond Index's three-year rank is lower than accepted. The JP Morgan Mortgage-Backed Securities fund and the Vanguard Intermediate Term Investment Grade is

also a little below. The important thing is that everything is investment grade or better.

Ms. Laychur noted her August Economic and Market Review write-up with charts for the board's interest.

**SCHENCK** Mr. Schenck brought up the next scheduled meeting of the Police Pension Board, which was scheduled for November 2, 2016 at 6:00 p.m.

**6. OLD BUSINESS**

There was no Old Business for action.

**7. NEW BUSINESS**

There was no New Business for discussion.

**8. COMMITTEE MOTIONS**

There were no Committee Motions for action.

**9. ADJOURNMENT**

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

Respectfully submitted,

Kathleen Phan  
Secretary

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