

The Springettsbury Township Board of Supervisors held a Work Session on Thursday, September 24, 2020 at 6:45 p.m. via Zoom technology.

MEMBERS IN

ATTENDANCE: Mark Swomley, Chairman
George Dvoryak, Vice Chairman
Charles Wurster, Assistant Secretary/Treasurer
Don Bishop
Robert Cox
Chris Ford, Police Department Representative
John Lawton, Police Department Representative

ALSO IN

ATTENDANCE: Dori Bowders, Interim Township Manager
Charles Rausch, Solicitor
Mark Renzini, F.N.B. Wealth Management
Adam Runk, F.N.B. Wealth Management
Teresa Hummel, Director of Finance
Jean Abreght, Stenographer

1. CALL TO ORDER

SWOMLEY Chairman Swomley called the Work Session for the Police Pension Board to discuss the Investment Policy to order. He welcomed Mark Renzini and Adam Runk of F.N.B. Wealth Management

2. NEW BUSINESS

A. Suggestions for Update to Investment Policy

RENZINI Mark Renzini, F.N.B. Wealth Management indicated that he and Mr. Runk would go through each recommendation on the summary.

The Board of Supervisors and the F.N.B. providers walked through potential recommendations to the Police Pension Investment Policy. For the purpose of these Minutes, the suggestions follow:

Dividend Yields – The dividend yield of each advisors total equity holdings must at least equal the current yield on the S&P 500 Index.

- Recommendation: Remove this restriction.

Commodities – Funds/Investments in which the Plan shall not invest include the following: Private placements; Real Estate (excluding diversified REIT mutual funds; Commodities

- Recommendation – Remove Gold as a prohibited investment; could specify Gold Fund or Gold ETF.

Holding Restriction – 5% & 35% Holding Restriction – No one holding can exceed 5% of the total individual stock portfolio.

- Recommendation – Change the 5% up to 7%
- Recommendation – Alter the current restriction from 30% to 50%

Mutual Fund Restrictions – The average of the 3, 5, and 10-year performance in corresponding Morningstar category top 35%.

- Recommendation – Remove the 3 and 5 averages and change the 35% to 40/45% Average Morningstar credit quality A or higher -
- Recommendation - Change the credit quality to BBB.

Stock Restrictions – The company must have operating earnings on a trailing 12-month basis.

- Recommendation – Remove the sentence; or the company must have a positive earnings 3 out of the last 5 years.
- Recommendation – The company must have operating earnings on a trailing basis 3 out of the last 5 years.

The company (excluding utilities) must maintain at most a 50% debt to total capital ratio.

- Recommendation – Adjust the 50% figure or strike the figure entirely.

-The Debt to Total Capital of the S&P 500 as a whole is 78% currently.

- Recommendation – Adjust the S&P 500 to 90%; or adjust it to “should be comparable to the S&P 500.” Or “1.25 times the S&P 5600 figure.”

SWOMLEY Chairman Swomley suggested that another meeting be held to do a final review. He suggested that Ms. Bowders have the recommendations converted into an electronic documents including the red-line recommendations. He asked Ms. Bowders when the next Police Pension Board meeting had been scheduled.

BOWDERS Ms. Bowders responded that the next Police Pension Board meeting is scheduled for November 18th.

SWOMLEY Chairman Swomley suggested scheduling another meeting for review before the November 18th meeting. He asked Mr. Renzini to work with Ms. Bowders to schedule.

3. PUBLIC COMMENT

There was no public comment.

4. ADJOURNMENT

SWOMLEY Chairman Swomley adjourned the meeting at 7:21 p.m.

**SPRINGETTSBURY TOWNSHIP
WORK SESSION – Police Pension**

**SEPTEMBER 24, 2020
APPROVED**

Respectfully submitted,

Charles Wurster
Secretary

ja