

**SPRINGETTSBURY TOWNSHIP
POLICE PENSION BOARD**

**NOVEMBER 16, 2022
APPROVED**

The Springettsbury Township Board of Supervisors held a Police Pension Board Meeting on Wednesday, November 16, 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
Mark Renzini, F.N.B.
Adam Runk, F.N.B.
Alex Schrift, Police Representative
Dori Bowders, Director of Administrative Operations
Teresa Hummel, Director of Finance
Daniel Hoff, Chief of YAUFRR
Todd King, Chief of Police
Abby Gibb, Communications Manager

1. CALL TO ORDER

SWOMLEY Chairman Swomley called the Police Pension Board Meeting to order.

2. ACTION ON MINUTES

A. Police Pension Board Meeting Minutes – August 25, 2022

MR. WURSTER MOVED FOR APPROVAL OF THE AUGUST 25, 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 Third Quarter Payroll Pension Contribution Reconciliation Report
- (2) Acknowledge Receipt of August 31, 2022 F.N.B. Management Report

- (3) Acknowledge Receipt of September 30, 2022 F.N.B. Management Report
- (4) Acknowledge Receipt of October 31, 2022 F.N.B. Management

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 the numbers presented are as of the end of October. He noted the numbers have gone up since the report was published with a 2% increase.

RUNK Mr. Runk indicated in spite of the rebound the market as a whole is down approximately 17% with the S&P 500. On a year-to-date basis they had market recovery from a low of approximately 24½% to the current level. This was influenced by an inflation report which was lower than analysts had expected. He noted there has been a peak in inflation. There is mixed opinion as to whether the trajectory will be markedly lower. He provided an overview of market fluctuation and how inflation rates and interest rates are being affected by current trends worldwide. He noted the following information:

- Will likely see lower interest rates hikes going forward by the Federal Reserve.
- Although a recession is anticipated, it remains to be seen how severe it will be but the feeling is it will be mild.
- Still seeing supply chain issues
- The market is influenced by China and other countries with continued Covid management.
- PMI service data was 56.7% in October which suggests growth
- When looking at the components of CPI it appears that prior components more recently were influenced by increase in medical costs due to postponing elective surgeries and procedures during Covid, and now scheduling them. They are monitoring that aspect since they believe when healthcare inflation begins to moderate it will move towards overall core inflation.

Outlook for next year – Mr. Runk stated while the market has rallied temporarily, they are remaining cautious, since there is uncertain activity and geopolitical events still in motion, with the persistent issue with the supply chain.

They are anticipating the market will likely recover slightly during the first part of next year.

COX Mr. Cox asked if the downsizing of Twitter, Meta and Amazon has been reflected in the market.

RUNK Mr. Runk stated he believed it was a broader trend with advertising. The key revenue driver is advertising revenue. He reflected on the impact of those venues on the economy and recession, and as it relates to the generational workforce.

Mr. Runk explained positioning in the portfolio is maintaining underweight to international market as seen with more severe recession in Europe. He noted that as the Fed does a significant pivot the outlook on the dollar to euro might change which influences Europe vs. US and its effect on overall returns. The dollar maintains a good amount of strength for a while vs. the euro with better economic outlook for the U.S. that is why they are maintaining that overweight to U.S. equities vs. international.

Mr. Runk stated performance wise the account is up approximately \$400,000 as of yesterday. The report shows \$20,191,000 and the balance as of yesterday was \$20,574,000. They are aligning the equity benchmark by about 1% which comes from the growth overweight which has affected results. On the fixed income side they are aligning the benchmark with slightly longer maturities which has had a disparate impact year to date. He noted the performance is still doing well vs. the benchmark over the three and five year period.

WURSTER Mr. Wurster asked if they foresee having to make some tactical adjustments to the investment portfolio given that the returns are still lagging the benchmark.

Mr. Runk stated they try not to chase things heavily but given the outlook they had during this recovery recently, will look to reduce their equity position to an underweight vs. the benchmark given that the market is down 16% at this point.

SWOMLEY Chairman Swomley asked if the change in the total portfolio due to the minimum monthly obligation affects the performance.

RUNK Mr. Runk indicated in regards to the obligation that the pension would have on liabilities, higher interest rates in general will have a beneficial impact in that they will lower the discount rate which is determined by long return treasury rates. Increases across the board will support that discount rate probably preventing it from falling further.

Mr. Runk provided background information on the discount rate noting it has gone from a 2% rate to a 4.37% rate on the 20-year treasury. This is beneficial for ultimately supporting the discount rates.

SWOMLEY Chairman Swomley thanked Mr. Renzini and Mr. Runk for their presentation.

6. OLD BUSINESS

There was no Old Business.

7. NEW BUSINESS

- A. Acknowledge COLA Payment Increase to Jason Coyle from \$4,785.83 to \$5,183.05 effective September 20, 2022 as stated in Mr. Cramer's attached letter. Mr. Coyle should also receive a one-time lump sum payment of \$542.87 for the months of September and October, 2022.

MR. WURSTER MOVED TO ACKNOWLEDGE THE COLA PAYMENT INCREASE TO JASON COYLE AS OUTLINED. MR. COX WAS SECOND. MOTION UNANIMOUSLY CARRIED.

- B. Set Meeting Dates for 2023:

February 23, 2023 - 6:00 p.m.

May 25, 2023 - 6:00 p.m.

August 24, 2023 - 6:00 p.m.

November 15, 2023 - 6:00 p.m.

MR. DVORYAK MOVED TO APPROVE THE MEETING DATES FOR 2023 AS OUTLINED. SECONDED BY MR. WURSTER. MOTION UNANIMOUSLY CARRIED.

8. COMMITTEE MOTIONS

There were no Committee Motions.

9. ADJOURNMENT

SWOMLEY Chairman Swomley adjourned the meeting at 6:26 p.m.

Respectfully submitted,

Charles Wurster
Secretary
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