

**SPRINGETTSBURY TOWNSHIP
POLICE PENSION BOARD**

**NOVEMBER 15, 2006
APPROVED**

The Police Pension Board of Springettsbury Township held a meeting on Wednesday, November 15, 2006 at 5:00 p.m. at the Township Offices located at 1501 Mt. Zion Road, York, PA.

MEMBERS IN

ATTENDANCE: George Dvoryak
Bill Schenck
Mike Bowman
Nick Gurreri
Officer Jeffrey Leer, Springettsbury Police Department

MEMBERS NOT

IN ATTENDANCE: Don Bishop

ALSO IN

ATTENDANCE: Joe Paese, F.N.B. Wealth Management (formerly Legacy Trust)
Richard Diem, Fulton Financial Advisors
Annette Hose, Fulton Financial Advisors
Jean Abreght, Stenographer

A. Call to Order

DVORYAK Chairman Dvoryak called the meeting to order.

HOLMAN Mr. Holman stated that Officer Leer had been appointed to represent Lieutenant Trott for this meeting. Mr. Holman stated that with Officer Leer's attendance, a Quorum was present.

PAESE Mr. Joe Paese of F.N.B. Wealth Management provided a brief summary of the written report previous provided to the Board. Economic highlights indicated that inflation was well in check. He noted that the bond perspective had paid off in the third quarter performance. There is no anticipation that the Fed will raise rates; short rates will come down to a normalized yield curve. The GDP remained strong. They are concerned with healthcare stocks. From an economic standpoint, Mr. Paese reported a strong quarter, both from a bond and stock perspective. However, there were segments of the stock market that did not do well. The equity performance lagged some due to two particular segments, the Russell 2000 Growth Fund and the Small Cap Fund. The Bond, Fixed Income and Money Market Funds showed a good quarter. Lehman Brothers Intermediate Government Corporate was up for the quarter. There was good performance in the International representation. The overall portfolio performed well.

GURRERI Mr. Gurreri asked whether the country is in a slowdown cycle.

PAESE Mr. Paese responded that he thought Mr. Gurreri was correct. They really didn't think that the third and fourth quarters would be as strong as they were. He thought that Fixed Income and the Bond market will have a good year even with a slowdown. In addition, they will be more active in the Equity market and pull back on the healthcare areas. Mr. Paese commented that the overall performance of the account was up 4.50% versus a benchmark of 4.30%. They were strong on the fixed side at 6.50% versus a 4.70% benchmark. Since inception equity at 9.40% versus a 6.70% was well ahead of the benchmark. In summary, Mr. Paese indicated the funds are well within the benchmarks.

DVORYAK Chairman Dvoryak commented on the healthcare market and asked whether the market had begun discounting healthcare.

PAESE Mr. Paese responded by citing the Merck drug stock, which is in healthcare. The question remains as to where the pressure will be inside the healthcare sector.

2. Fulton Financial

HOSE Ms. Annette Hose reviewed the portfolio accounting for the quarter. She cited a Market Value of \$4,064,704.30. Employee Contributions for the quarter were \$19,608.76. Rollover Contributions were \$22,643.00, which represents the military buyback. Investment income Received, plus Gains in the account at approximately \$156,000 for Total Receipts of \$198,287.93. The Disbursements for the quarter, the Pension and Health Insurance premium payments totaled \$116,711.27 for the quarter. Expenses paid out of the fund for the Trustee/Management Fee and the Actuarial Fee to Conrad Seigel totaled \$8,560.50 for the quarter to take the Market Value of the portfolio as of September 30, 2006 to \$4,137,720.46.

DIEM Mr. Richard Diem of Fulton Financial had presented a written report to the Board. He summarized some of the highlights of the report. With regard to the economy, they do expect a slowdown. The fall of oil prices affected the third quarter. The Federal Reserve paused in the tightening of percentages at 5.25%. The current account is to be 50% in the S&P in stocks, 45% in bonds and 5% in cash. The allocation is 51% equities, 45% fixed income and 4% cash. The account rate of return for the quarter was 3.90%, a little less than the benchmark performance at 4.33%. Equities for the third quarter were up 4.63% versus a 5.64% benchmark a result of underperformance in International and Small Cap performance. The FFA Retirement Fund was up slightly better than the Large Cap growth. Vanguard Windsor II Fund was up 6.38% better than the S&P. Small Cap Stock Index was down a negative .26%. The two European and Pacific Stock Index Funds did better than the Morgan Stanley

International Index of 3.92%. Bonds did well up at 3.19% beating the benchmark. Cash is up only 1.06% versus 1.31% on the benchmark.

DVORYAK Chairman Dvoryak asked what period of time would be used to measure underperformance.

DIEM Mr. Diem responded that they review several things. One was whether there had been a change in management. Secondly would be performance. The funds are placed on a watch list and may go through one more quarter before anything is changed.

Mr. Diem noted that the total account value as of November 6 was \$4.1 million with 50% in equities, 45% in fixed income and 4% in cash. He did not expect to make any changes as far as the allocations.

B. Action on Minutes:

1. August 24, 2006 Police Pension Board Meeting

DVORYAK Chairman Dvoryak asked for action on the August 24th Police Pension Board Minutes.

MR. BOWMAN MOVED TO ACCEPT THE MINUTES OF THE AUGUST 24, 2006 POLICE PENSION BOARD MEETING AS PRESENTED. MR. SCHENCK WAS SECOND. MOTION CARRIED. MR. GURRERI ABSTAINED AS HE WAS NOT PRESENT.

C. Correspondence and Other Communications

- 1. Acknowledge Receipt of Fulton Trust Company Report of July 2006**
- 2. Acknowledge Receipt of Fulton Trust Company Report of August 2006**
- 3. Acknowledge Receipt of Fulton Trust Company Report of September 2006**
- 4. Acknowledge Receipt of Fulton Trust Company Audit Report for Year Ending June 30, 2006**
- 5. Acknowledge Receipt of F.N.B. Wealth Management Report for August 2006**
- 6. Acknowledge Receipt of F.N.B. Wealth Management Report for September 2006**
- 7. Acknowledge Receipt of F.N.B. Wealth Management Report for Third Quarter 2006.**
- 8. Acknowledge Receipt of Payroll Contribution Reconciliation Report**
- 9. Acknowledge Receipt of Minimum Municipal Obligations – Pension Plans**

MR. SCHENCK MOVED TO ACKNOWLEDGE RECEIPT OF ITEMS 1 THROUGH 9 ON THE AGENDA ITEM D. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

F. Old Business

1. Update of Investment Plan: Scheduled for January 2007

HOLMAN Mr. Holman noted that the Investment Plan is scheduled for the January Agenda for adoption.

G. New Business

1. Recommendation for Amending Pension Fund Ordinance with “2006 Compliance Amendment.”

DVORYAK Chairman Dvoryak noted there was a request for Recommendation for Amending Pension Fund Ordinance with the 2006 Compliance Amendment. He commented that there needed to be an update.

HOLMAN Mr. Holman responded that he had sent this to the Board. There had been an error in it, and the Actuary sent it back. There are minor changes, IRS regulations, but the Board is required by law to adopt. The changes to not in any way affect the plan. However, the IRS Regulations must be adopted as they exist. He requested a Motion that the plan be amended by the Board of Supervisors.

DVORYAK Chairman Dvoryak noted that this Board will recommend to the Board of Supervisors.

HOLMAN Mr. Holman responded that he was correct that the Board adopt the new regulations.

MR. GURRERI MOVED TO APPROVE RECOMMENDATION OF AMENDING THE PENSION FUND ORDINANCE WITH 2006 COMPLIANCE AMENDMENTS. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

H. Committee Motions

1. Confirmation of Increase of Pension Benefit: Barry R. Bailets

HOLMAN Mr. Holman stated that the item is to confirm an increase in pension, and in accordance with the contract in effect at the time Mr. Bailets retired. It is confirmation of the increase in pension which was calculated by the actuary and approved for Mr. Bailets.

LEER Officer Leer commented just for the record, the Officer’s name is B-A-I-L-E-T-S, not Billets as noted on the Agenda. It’s correct on all the other documents.

MR. GURRERI MOVED TO APPROVE CONFIRMATION OF INCREASE OF PENSION BENEFIT, BARRY R. BAILETS. MR. LEER WAS SECOND. MOTION UNANIMOUSLY CARRIED.

2. Confirmation of Military Buyback: Gary Utter

DVORYAK Chairman Dvoryak questioned whether the confirmation of military buyback is already invested in the fund.

HOLMAN Mr. Holman responded that he was correct. The buyback is calculated by the actuary, confirmed by the finance officer and reviewed by Mr. Holman before it's accepted.

GURRERI Mr. Gurreri asked for an explanation of the military buyback.

HOLMAN Mr. Holman responded that the Township buys back a number of years in the military service, which then that service counts towards an individual's retirement when they retire. Where one might have 22 years of actual service in the Police Department, you can buy back, for example, three years of military time so it's calculated at 25 years.

MR. GURRERI MOVED TO APPROVE CONFIRMATION OF MILITARY BUYBACK, GARY UTTER. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

3. Confirmation of Increase of Pension Benefit: Alan Naylor

HOLMAN Mr. Holman stated that they only do this for members who retired prior to 1996 when the contract was entered into. Under the new contracts, there's no requirement to confirm this. It's just under the old ones.

MR. SCHENCK MOVED TO APPROVE THE PENSION INCREASE FOR ALLEN NAYLOR. MR. LEER WAS SECOND. MOTION UNANIMOUSLY CARRIED.

I. Adjournment:

DVORYAK Mr. Dvoryak adjourned the meeting at 5:25 p.m.

Respectfully submitted,

John Holman
Secretary

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**SPRINGETTSBURY TOWNSHIP
POLICE PENSION BOARD**

**AUGUST 24, 2006
APPROVED**

The Police Pension Board of Springettsbury Township held a meeting on Thursday, August 24, 2006, at 5 p.m. at the Township Offices located at 1501 Mt. Zion Road, York, PA.

MEMBERS IN

ATTENDANCE: George Dvoryak, Chairman
Bill Schenck
Mike Bowman
John Holman, Township Manager
Lt. David Trott, Springettsbury Police Department

MEMBERS NOT

IN ATTENDANCE: Nick Gurreri, Vice Chairman
Don Bishop

ALSO IN

ATTENDANCE: Joe Paese, F.N.B. Wealth Management (formerly Legacy Trust)
Richard Diem, Fulton Financial Advisors
Annette Hose, Fulton Financial Advisors
Jean Abreght, Stenographer

A. Call to Order

DVORYAK Chairman Dvoryak called the Police Pension Board meeting to order at 5 p.m.

HOLMAN Mr. Holman stated that a Quorum was present with four members of the Board.

B. Action on Minutes

1. May 11, 2006 Police Pension Board Meeting

MR. BOWMAN MOVED TO ACCEPT THE MINUTES FROM THE MAY 11, 2006 POLICE PENSION BOARD MEETING. MR. SCHENCK WAS SECOND. MOTION UNANIMOUSLY CARRIED.

C. Public Comment

There was no Public Comment.

D. Correspondence and Other Communications

- 1. Acknowledge Receipt of Fulton Trust Company April 2006.**
- 2. Acknowledge Receipt of Fulton Trust Company May 2006.**
- 3. Acknowledge Receipt of Fulton Trust Company June 2006.**
- 4. Acknowledge Receipt of Fulton Trust Company Second Quarter 2006 Report.**
- 5. Acknowledge Receipt of Legacy Trust Fund Report May 2006**

6. **Acknowledge Receipt of F.N.B. Wealth Management Report (formerly Legacy) for June 2006.**
7. **Acknowledge Receipt of F.N.B. Wealth Management Report (formerly Legacy) for July 2006.**
8. **Acknowledge Receipt of F.N.B. wealth Management Report (formerly Legacy) for the Second Quarter 2006.**
9. **Acknowledge receipt of payroll contribution reconciliation report.**

MR. SCHENCK MOVED TO ACCEPT ALL ITEMS OF CORRESPONDENCE AS LISTED ON THE AGENDA, ITEMS D1 THROUGH 9. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

E. Reports from Financial Advisors

1. Fulton Financial

HOSE Ms. Annette Hose reviewed the portfolio accounting for the quarter with a Market Value as of April 1, 2006 of \$4,193,447.54. Receipts were accounted as follows: Employee contributions were \$16,125.73; Total Investment Income of \$8,223.03; Total Unrealized Loss of \$29,509.10 due to a drop in the market at the end of June. Disbursements were as follows: Pension and Health Insurance Payments: \$118,165.17; Expenses included the Trustee/Management Fee of \$5,417.73. Market Value as of June 30, 2006 was reported at \$4,064,704.30.

DIEM Mr. Richard Diem provided a summary of the written report for the second quarter, which had been provided to the Board.

Economy

Mr. Diem reported that the economy had slowed. He estimated about a 2-1/2% growth for the remainder of 2006. The real estate sector and new home sales had fallen off; however, corporate profits seem to be doing well. Interest rates probably will not raise much for the remainder of the year. Inflation is expected to moderate some; the equity market will do well, and the bond market may do some better as well.

Performance for the Quarter

Mr. Diem reported that the fixed income and equity markets account rate of return was negative .53%. The benchmark was down .57% resulting in four basis points better than the benchmark. Total equities were a negative 1.32% for half the account. Fulton Financial Retirement Common Stock fund fell 3.32%; Vanguard Windsor II fund was up .7%; S&P 500 benchmark for large cap equity performance was off 1.44% resulting that the fund was somewhat better than the benchmark. The Small Cap sector did poorly with the Vanguard Index falling 4.65% versus 5.03%. The sector that did well was Vanguard European Index which grew 2.7%. The Pacific Index fell 2.8%. Fixed Income rose .26% for the

quarter; benchmark was .21%. Goldman Sachs was 1.1% and Citigroup was at 1.16% in the money market sector.

Performance for the Year

Mr. Diem reported that for the year the results are ahead of the benchmark by 1.22%. Total account rate of return was 5.65% versus 4.43%. Total equities are up 10.82% through June 30, 2006. The S&P is up 8.63%. There was not a large return for the Fixed Income side at .3%; however, it was better than the benchmark at a negative .18%

Portfolio

Mr. Diem reported the Total Account Balance as of August 3rd was \$4,020,919. As of this date, August 24th, the balance was up to \$4,065,911. Fixed Income holdings invested in the Fulton Financial Advisors' Retirement Fixed Income Fund, 35% of the account, a common fund run by the bank, yielded 5.04%. Equity holdings have two funds in the large cap area, the Retirement Common Stock Fund which yielded 1.65%. Vanguard Windsor II small cap index, 35% of the account, is at 9.76%. The two International Funds, the Pacific at 8% and the European at 12% make up 20% of the account.

2. Legacy Trust

PAESE

Mr. Joe Paese, F.N.B. Wealth Management (Legacy Trust) stated he had submitted written information on the merger of F.N.B. in advance. He reiterated that the economy had slowed. He reported that there had been a very volatile second quarter of rates moving up which affected the performance. However, the yield curve revealed that the rates are coming back down.

Mr. Paese indicated that the equity market will not perform as well as the long bond side, which has more value for the rest of the year. A recap of the account of \$4,284,000 indicated earnings of \$71,000, along with some disbursements including administrative fees and an unrealized change. Most of that was the change in the bond pricing for the quarter. Rates went up; bond prices went down all of which resulted in a net decrease of approximately \$29,000 and a bottom line of \$4.25 million. From an asset class perspective, there was approximately 5% in cash earning about a 4.85% yield. Fixed Income portfolio is at 46% with a yield of 5.50%; Equity is just under 50% with a 2.48% yield. He expects utility stocks to pick up in the third quarter. The bond portfolio in the government and agency obligations showed some losses on those bonds, which was a negative reaction to rates moving up. Values will drop, but there should be a significant difference in the third quarter. There should be no significant change to the bond or equity portfolios at this time. They expect to stay underweighted in technology and overweighted in utilities. The Federated Mid-Cap Fund, a value fund, has a fairly significant exposure which is expected to perform well. The Harbor and the Oakmark Funds are the two International funds. Kalmar is a small cap fund, and the Vanguard growth index is the large growth piece. The bond portfolio is

yielding an average 5.50%; maturity about 5.47% and at duration about \$9.68%. Breakdown of the mutual funds is the Kalmar small cap down 8%; Vanguard Growth Index Fund down 4%; S&P down 1.44%, International Funds, one up about 3%; one down slightly. Mid cap was down about 3.35%. Year to date up about 4%. Actual performance showed the actual account rate of return down 1.2% versus the blended benchmark down about 6%. Money market was up .10% for the quarter. Bonds were down about 1.10% versus the Lehman Brothers government corporate index down .10%. The equity side showed the S&P's down slightly. That .10% difference coming basically from the small cap and the large growth part of the equity portfolio. However, since inception the benchmark was beat by about 140 basis points with the exception of the International piece. Equities since inception revealed an 8.70% versus 5.50%. The S&P as well as the bond portfolio is positive by about 70 basis points.

TROTT Lt. Trott asked for information concerning the merger.

PAESE Mr. Paese responded that there should not be much change in the portfolio. From an asset management perspective they will use outside mutual funds and outside managers as they had in the past. FNB Corp does not have its own mutual fund complex just like Legacy. So, we are not in that position that a lot of banks are in where they're utilizing their own mutual funds. What had been gained through the merger, Legacy previously had about 35 no-load institutional mutual funds. FNB has about 50 and they will pick up some new areas, such as high yield bond funds, emerging market funds. Mr. Paese's main goal is not to disrupt the client and he did not expect a lot of change. They had switched from the Northern Trust System to the Sunguard System. On the bank side there is significant change, but that will not affect the pension fund. There are an additional 10 investment professionals to utilize.

F. Old Business

DVORYAK Chairman Dvoryak asked Mr. Holman for an update on the investment plan.

HOLMAN Mr. Holman responded that he will meet with Mr. Zimmerman within the next few weeks to finalize that policy. He will have the policy ready for discussion and possible adoption during the November meeting, with an effective date of January 1, 2007 so that the policies fit within the fiscal years. He added that the state auditors prefer that process in order to facilitate their audits.

G. New Business

DVORYAK Chairman Dvoryak asked about the status of the pension audit.

HOLMAN Mr. Holman responded that the State Auditor General's Office conducted an audit of the Police Pension Fund and provided an outstanding report. They were very pleased with the way the funds have been handled. Specifically, they liked the

way that they can just look at the minutes on the web site. They were able to finish up their report two weeks earlier than planned. Mr. Holman thanked both Fulton and Legacy, now FNB. They had provided needed audit information in a timely fashion. He also thanked Mrs. Speicher and Mrs. Bowders for their administration efforts. There were three oral comments. One dealt with a 2003 ordinance that was adopted; it had not been adopted in the beginning of 2003. That was when the Police Pension Fund was adopted in accordance with the new IRS regulations. One additional oral comment was made that a resolution had not been passed setting the rate for the Police Department. The contract was adopted, and the auditors suggested that a resolution should be adopted at the beginning of each year adopting the rates. The third oral comment related to a memo which had been sent to the Board in September stating the Minimum Municipal Obligation. However, the attachment to that report did not have Mr. Holman's initials and the date, even though it could be seen in the minutes. They thought the program was outstanding and running very well. A formal report will be provided to the Board.

DVORYAK Chairman Dvoryak asked for clarification whether the audit was a three-year audit.

HOLMAN Mr. Holman responded that it was, in fact, a three year audit covering the years 2003 through 2005. He thought the next audit will be for another three-year period. Mr. Holman added that, since they had gone through this audit, they have a list of everything the auditors look for at the end of each year. They plan to put everything into packets together so that when they come in to do the next audit they can just pull the file out for them.

H. Committee Motions

There were no Committee Motions for discussion.

I. Adjournment

DVORYAK Chairman Dvoryak adjourned the meeting at 5:45 p.m.

Respectfully submitted,

John Holman
Secretary

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**SPRINGETTSBURY TOWNSHIP
POLICE PENSION BOARD**

**MAY 11, 2006
APPROVED**

The Police Pension Board of Springettsbury Township held a meeting on Thursday, May 11, 2006, at 5:00 p.m. at the Township Offices located at 1501 Mt. Zion Road, York, PA.

MEMBERS IN

ATTENDANCE: George Dvoryak, Chairman
Nick Gurreri, Vice Chairman
Mike Bowman
Don Bishop
Bill Schenck
Ogden Dickerson, Police Department Representative

ALSO IN

ATTENDANCE: John Holman, Township Manager
Richard Diem, Fulton financial Advisors
Annette Hose, Fulton financial Advisors
Joe Paese, Legacy Trust Company
Jean Abrecht, Stenographer

A. Call to Order

DVORYAK Chairman Dvoryak called the meeting to order at 5:05 p.m.

HOLMAN Mr. Holman stated that a Quorum was present.

B. Action on Minutes

1. February 9, 2006 Police Pension Board Meeting

MR. SCHENCK MOVED TO APPROVE THE MINUTES OF THE FEBRUARY 9, 2006 POLICE PENSION BOARD AS PRESENTED. MR. DICKERSON WAS SECOND. MOTION CARRIED. MR. GURRERI ABSTAINED AS HE WAS NOT PRESENT.

C. Public Comment – Comments from the public. Each person is to be limited to 3 minutes and limited to one occurrence per meeting.

There were no Public Comments.

D. Correspondence and Other Communications

1. Acknowledge Receipt of Fulton Trust Company January, February and March 2006 reports.

MR. GURRERI MOVED TO ACCEPT THE FULTON FINANCIAL REPORT FOR JANUARY, FEBRUARY AND MARCH 2006. MR. SCHENCK WAS SECOND. MOTION UNANIMOUSLY CARRIED.

2. Acknowledge Receipt of Legacy Trust Company January, February and March 2006 reports.

There was no official action taken.

3. Reply by Mr. Zimmerman to question raised by Lt. Trott regarding member contribution dated March 16, 2006

There was no discussion.

4. Acknowledge receipt of payroll contribution reconciliation report.

HOLMAN Mr. Holman responded that he had just received the reconciliation report this date. He suggested placing that on the Agenda for the next meeting.

E. Reports from Financial Advisors

1. Fulton Financial Advisors

HOLMAN Mr. Holman stated that two additional reports were received this date for the Police Pension Fund from Fulton Financial for the fourth period report from 4/1/06 through 4/30/06 and the Legacy Trust report for the period 4/1/06 through 4/30/06. The Board would have received those reports in the mail. He requested a motion to acknowledge receipt of those reports.

MR. BISHOP MOVED TO ACKNOWLEDGE RECEIPT OF REPORTS FROM FULTON FINANCIAL AND LEGACY TRUST FOR THE PERIOD 4/1/06 THROUGH 4/30/06. MR. SCHENCK WAS SECOND. MOTION UNANIMOUSLY CARRIED.

HOSE Ms. Hose reviewed the portfolio accounting for the quarter. She reported the market value as of January 1, 2006 for the police pension was \$4,180,184.03. There were total employee contributions from the police officers of \$18,444.53 for the quarter. Investment income was \$883.15 with \$122,271.52 in unrealized gains. Disbursements for the quarter were \$122,888, which included the pension and health insurance premium payments. Expenses for the trustee/management fee were \$5,447.68. Total market value as of March 31, 2006 was \$4,193,447.54.

DIEM Mr. Richard Diem provided a brief economic review. He indicated economic growth of about 3.5% for the year. The first quarter was 4.8% which was somewhat stronger. They expect that higher interest rates and higher energy prices will slow the growth rate for the remainder of the year. Inflation declined 2.5% and will be affected by higher energy prices. Corporate profits were strong during the first quarter. Federal Reserve raised the interest rate to 5%. The 10-Year Bond rate rose to 5.1%. Equity markets are expected to do well. However,

bond markets may provide a 4% return. Small, mid cap and international stocks have performed well.

Mr. Diem provided an in-depth review of the accounts, most of which did well during the quarter. International funds were somewhat flat; however, the one year result was at 2.11% versus a benchmark of 2.07%. He reviewed the total portfolio at \$4,207,348 and indicated that 53% was in equities, 46% in fixed income with a small cash balance.

BOWMAN Mr. Bowman asked how long the worst five performing stocks would be held in the portfolio.

DIEM Mr. Diem responded that each company is reviewed separately to see whether anything had fundamentally changed. Even though a stock might not be a great performer it might be held because it is an attractive stock.

DVORYAK Chairman Dvoryak asked whether the Morningstar indicated a four or five-star rating.

DIEM Mr. Diem responded that five star is the top rating. The funds are constantly monitored for their performance.

2. Legacy Trust

PAESE Mr. Joe Paese of Legacy Trust presented their report for the quarter. He first announced that Legacy Trust had decided to merge with F&B Corporation in Hermitage, Pennsylvania north of Pittsburgh. He explained that there should not be much of a change as far as the Township with the exception of the form of reporting. Their strategy is much the same as Legacy's, and the same performance measurement system will be used. He expected the merger to take place by the end of June.

DVORYAK Chairman Dvoryak indicated he would be interested in seeing some propaganda.

PAESE Mr. Paese responded that he would provide information to each member of the Board.

Mr. Paese had provided a documented report for the Board, which he reviewed in some detail. He indicated that the quarter had been a difficult one due to the bond market results. They expect that the economy will slow the latter part of the year. Inflation is a concern, and oil prices continue to rise. He discussed the results of the equity and the fixed market. He provided the net asset changes which revealed receipts and earnings at \$94,000; disbursements, less accrued income and net change on asset value ending at \$4,313,136. Mr. Paese noted that they had moved into the gold market. He noted the earlier question about winners and

losers and indicated they are reviewing those carefully as well. Large, mid, small cap and international funds have done well.

GURRERI Mr. Gurreri asked whether the Sovereign holdings had been sold.

PAESE Mr. Paese responded that they are still holding and are reviewing it carefully. He continued with a review of the remainder of the report which revealed that the portfolio is performing well.

F. Old Business

1. Update of Investment Plan.

HOLMAN Mr. Holman stated that the Board had requested an updated investment plan to provide the same flexibility as in the Fire Pension Plan. He indicated that would be prepared for the next quarterly meeting. He added that Tom Zimmerman will attend that meeting for the review and revised investment plan reporting.

DVORYAK Mr. Dvoryak asked whether that related to the discussion on increasing the international stock.

HOLMAN Mr. Holman responded that he was correct.

G. New Business

There was no New Business for discussion.

H. Committee Motions

1. Authorize payment for Actuarial services for the period October 7, 2006 through March 31, 2006

SCHENCK Mr. Schenck asked whether the actuarial invoices were split between the Police and Fire Pensions.

HOLMAN Mr. Holman responded that the specific invoice itemized on the Agenda was only for the Police Pension Actuarial Service. Another invoice was presented during the Fire Pension meeting.

DVORYAK Mr. Dvoryak asked whether the fees are paid from the Pension Fund.

HOLMAN Mr. Holman responded that he was correct; they are paid from the Pension Fund. During previous meetings the Board had been asked only to acknowledge receipt of the invoice. However, the auditor requested that the Board authorize the payment to the actuary and that it appear in the minutes for approval since it does come out of the Pension Fund.

MR. SCHENCK MOVED TO AUTHORIZE PAYMENT OF THE ACTUARIAL SERVICES IN THE AMOUNT OF \$3,230. MR. BISHOP WAS SECOND. MOTION UNANIMOUSLY CARRIED.

DVORYAK Chairman Dvoryak asked for any further business to come before the Board.

HOLMAN Mr. Holman requested that any questions for the Actuary should be sent through his office in order to condense the items and reduce actuarial costs.

I. Adjournment

DVORYAK Chairman Dvoryak adjourned the meeting at 5:40 p.m.

Respectfully submitted,

John Holman
Secretary
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**SPRINGETTSBURY TOWNSHIP
POLICE PENSION BOARD**

**FEBRUARY 9, 2006
APPROVED**

The Police Pension Board of Springettsbury Township held a meeting on Thursday, February 9, 2006, at 5:00 p.m. at the Township Offices located at 1501 Mt. Zion Road, York, PA.

MEMBERS IN

ATTENDANCE: George Dvoryak, Chairman
Mike Bowman
Don Bishop
Bill Schenck

MEMBERS NOT

IN ATTENDANCE: Nick Gurreri, Vice Chairman

ALSO IN

ATTENDANCE: John Holman, Township Manager
Richard Diem, Fulton Financial Advisors
Annette Hose, Fulton Financial Advisors
Joe Paese, Legacy Trust Company
Tom Zimmerman, Consulting Actuary, Conrad Siegel, Inc.
Jean Abrecht, Stenographer

A. Call to Order

DVORYAK Chairman Dvoryak called the meeting to order at 5:05 p.m. A Quorum was established.

B. Action on Minutes

- 1. November 2, 2005 Police Pension Board Meeting**
- 2. January 3, 2006 Police Pension Board Meeting**

MR. BOWMAN MOVED FOR APPROVAL OF MINUTES OF THE NOVEMBER 2, 2005 AND THE JANUARY 3, 2006 POLICE PENSION BOARD MEETING. MR. SCHENCK WAS SECOND. MOTION CARRIED. MR. DVORYAK ABSTAINED AS HE WAS NOT PRESENT.

C. Public Comment

There was no public comment.

D. Correspondence and Other Communications

- 1. Acknowledge Receipt of Fulton Trust Company 2005 Fourth Quarter Report**
- 2. Acknowledge Receipt of Legacy Trust Company 2005 Fourth Quarter Report**

MR. SCHENCK MOVED TO ACKNOWLEDGE RECEIPT OF FULTON TRUST COMPANY AND LEGACY TRUST COMPANY'S 2005 FOURTH QUARTER REPORTS. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

E. Reports from Financial Advisors

1. Fulton Financial

DIEM Mr. Richard Diem of Fulton Financial presented the report. He discussed the 2006 economic and market outlook. He reported the expectation that the GDP will grow to about 3.5% this year, which is slightly down from last year's rate of 3.8%. They do not expect any recession in 2006. The effects of interest rate hikes and oil prices are slowing the economy. Corporate profits rose 14% during 2005, and that is expected to slow down to about an 8% during 2006. Federal funds are expected to rise to 4-3/4% during the March meeting of the Federal Reserve Board. A 10-year Treasury Bond is 4.53%. Longer term rates are expected to rise. The equity and bond markets and large cap stocks are expected to rise normally at about 10%. The S&P 500 was up 4.8%. Small and mid cap stocks have outperformed over the last five or six years. They are expected to do as well or better than the large cap stocks. Fulton favors the asset allocation over value and believes stocks will outperform bonds during 2006. International is favored over domestic, and as a result the international exposure will be kept high. Bond durations will be kept short until long-term rates or intermediate term rates have peaked.

HOSE Ms. Annette Hose provided the second portion of the presentation. She reviewed the portfolio for the Fourth Quarter, 2005. The portfolio started out the quarter with a value of \$4,205,653.54. Total employee contributions from the police officers were \$49,585.06. Investment income for the quarter was \$42,402.86. Gains for the quarter were \$13,250.62. Disbursements for the quarter between the pension payments and the health insurance premiums were \$116,936.75. Management fee expenses were \$5,401.30, and the actuarial fee paid to Conrad Siegel was \$8,370. The market value of the portfolio is \$4,180,184.03 at the end of the quarter.

DIEM Mr. Diem continued with a review of the performance for the account. Year-to-date results revealed a total rate of return, including the price appreciation plus the interest and dividends from stocks and bonds at 3.5%. The benchmark return is 50% in the S&P 500, 45% in Lehman Brothers and 5% in cash. The blended figure would be 3.29%, which was 32 basis points ahead of the blended mark. This was due to better performance on the equity side and good performance on fixed income. Equities were up 5.83% for the year. Retirement common stock fund is up 3.45%, and the Vanguard Windsor II, annual figure is 7.15%. The

combination of the growth and value outperformed the market at 4.85%. Additional factors were the exposure to small cap at 7.56%, which was better than the benchmark, Russell 2000 at 4.55%. Exposure in the international markets with European was up 9.36% and the Pacific Stock Index, Japan, for a total of 14.71%, which beat the Morgan Stanley Capital Index Europe/Australia/Far East Index at 13.54%. Fixed income, which is half the portfolio was 1.79% versus the Lehman Brothers intermediate capital at 1.58%, accounting for 21 basis points in the fixed income side. Cash remained about the same at 3.1% versus the benchmark of 3%.

Account rate of return for the quarter is from September to December was 1.37%, ahead of the benchmark at 1.32%. Equities were up 2.17%. The FFA Retirement Common Stock was up .85; Vanguard Windsor II was up .01%. It was not a good quarter for either as they underperformed the S&P 500 at 2.08%. The exposure to the small cap, European and Pacific helped the portfolio performance on the equity side. Small cap was up 1.21%, ahead of the Russell 2000. European was up 1.79%, and Pacific helped at 8.22%, both beating the benchmarks. The fourth quarter showed that the FFA Retirement Fixed Income Fund was up only 1%; however, it was about double what the index was at .51%. So the combination of the equities were better than the market, 2.17% versus 2.08%, and the Retirement Fixed Income Fund helped the performance beat the benchmark.

DVORYAK

Mr. Dvoryak asked about the rate of return on the account since the inception at 6.07%. The board had done a lot of planning over the last two years using an 8% actuarial number as a guide. He asked whether there was any concern that the pension fund is underfunded based on the reported rates of return.

DIEM

Mr. Diem suggested looking at the rate of return for the account versus the benchmark; the return beat the benchmark. The fact that it's below the 8% was a common issue. The last five years had seen the effect of the equity market results in 2000, 2001, and 2002 which has drawn down those performance numbers. Bonds are good for stability in the account. However, the equities are counted to provide growth in the account. When the equities have a five-year number like they did, that pulled down that account rate of return. He indicated that it was an issue to watch. He encouraged the Township to work with Mr. Zimmerman as far as the assumptions for portfolio growth.

HOLMAN

Mr. Holman asked Mr. Zimmerman whether he had factored that in in preparation for the review of the actuarial study.

ZIMMERMAN

Mr. Zimmerman responded for the record or the assumption is 7.5%, which had not changed. He did not intend to change that rate unless there

would be a big change in asset allocation. He asked what the inception date was.

PAESE Mr. Joe Paese of Legacy Trust responded that the inception date was October 1, 2001. The three year number, along with Fulton's which is close, is about 9% resulting in a three-year number ending 12/31/05. The first quarter in 2001 negatively affected the long-term number.

DVORYAK Mr. Dvoryak responded that it was helpful to know that information. He was not as concerned if the period included only three years and not 20.

PAESE Mr. Paese added that Mr. Gurreri had asked the same question. He offered to provide a better breakdown showing the quarter, the year and inception number.

DIEM Mr. Diem noted that he had attended an earlier meeting where there was a three-year number, and that revealed nearly double digits in the equity number.

HOSE Ms. Hose noted that the assumption since inception had been only three years. If a review were made of the whole pension plan pre-Legacy and Fulton, that actuarial assumption might be different.

BISHOP Mr. Bishop noted that the fund is showing the affects of the year 2000.

HOLMAN Mr. Holman stated that Mr. Zimmerman included all that within his actuarial review resulting in the numbers for the next few years, showing what the contribution needed to be based on the assumptions and the bargaining unit results. The latest report dealt with the 3.5% because the contract had been settled.

DIEM Mr. Diem indicated he would add a three-year number to the Fulton report.

Mr. Diem continued with a review of the portfolio and some of the changes made. The portfolio balance as of January 24th was \$4,191,465 with 50% in equities at \$2,100,000; 47% fixed income at \$1,975,000 and cash and equivalents at \$115,000. There was \$378,000 in cash in November, 2005. That cash balance was put to work between fixed income and equities. Yield on the cash was 4.21%. Yield on market value on the fixed income would be 4.8%, which would generate about \$95,000 in income per year; equities yielded 1.25% at \$26,192 resulting in a yield of \$127,231 of generated income or 3.0%. Money market balance of \$116,000 yielded 4.21%. Retirement fixed income fund was yielding

4.35% and that rate had climbed to 4.87%. The balance of \$1,974,000 is about \$300,000 higher than what it was in October.

Mr. Diem reported some more evident changes on the equity side in five different equity funds. Retirement common stock fund, a large cap growth fund was at 60% in October. That was reduced to 35% and switched into the Vanguard Windsor II fund resulting in a good balance between growth and value. Additional exposure was with Vanguard Pacific and European at 8% and 12% for a total standard of 20%. Vanguard small cap exposure was increased to 10%. The changes resulted in more balance in the large cap area than small cap.

DVORYAK

Mr. Dvoryak noted that all the equities are in mutual funds. He asked whether it was Fulton's philosophy not to use individual professional money managers to manage securities.

DIEM

Mr. Diem responded that retirement common stock fund is a collective fund, which is managed by Fulton, and there are no incremental expenses. The reason Fulton uses Vanguard for the Pacific, the European and the small cap, is due to the fact that those are areas that Fulton does not have the expertise to be picking European stocks and Pacific stocks and to a great degree a lot of small cap stocks, and Fulton wanted to use the lowest expense ratio of funds possible. It is a very low, low risk and a low expense. The performance numbers indicate they have been beating the indices.

Mr. Diem referred to the detail in the Retirement fixed income fund, which yielded 4.8%. The fund is managed by Tom Downing of Fulton and includes 100 different individual bonds in the portfolio with an average quality of AA1, which matches the Lehman Brothers index. There is a 50/50 split in the portfolio between treasuries and agencies and corporates. Performance indicated 1.79% year-to-date versus 1.58%; quarter-to-date 1% versus .51%

Retirement common stock fund has about 65 names and is run by Tom Weber. Mr. Diem provided a pie chart which revealed the performance and showed several larger sectors such as healthcare and industrials; market weight in technology, energy, financials, consumer stocks; underweight in utilities and consumer discretionary stocks. Performance was \$3.45 versus the S&P 500 of 4.91%.

BOWMAN

Mr. Bowman asked what was meant by the notation the "worst five performers".

DIEM

Mr. Diem responded that information pertained just to the fourth quarter, 2005. The companies that lost value and pulled down performance of the

account were noted as Conoco Phillips, Chevron, Invitrogen, etc. Some of the oil company performance pulled down the fund.

BOWMAN

Mr. Bowman noted that nearly everything he read indicated that oil companies did very well.

DIEM

Mr. Diem responded that it had been during the fourth quarter that many of the diversified companies didn't do as well, such as Exxon, Chevron and Conoco. On the other side, the oil service, Schlumberger did very well, along with the drillers, such as Transocean. Overall energy did very well last year and was the best performing sector.

Mr. Diem reviewed the additional fact sheets provided within the report. He noted that the expense ratios of the funds are very low.

2. Legacy Trust

PAESE

Mr. Joe Paese of Legacy Trust stated that he would not go over the economic status again but would show a slightly different view from Fulton. In the report provided to the board, the picture of the interest rates was shown from September to year end 2005. There was a dramatic move in October and a pull back in the intermediate and long range. The Legacy performance reflected that. Short rates continue to move up, and Legacy believes that will continue to at least one, two and possibly three more moves in interest rates, which was resulting in an inverted curve. Their position had not changed from being long to the benchmark. The big difference is with the key economic manager that Legacy utilizes, Cypress, which projects 2006 as a 2% year on GDP. Their position is bullish on the bond side and pushed out into the intermediate to long zone because they believe the economy will slow. They believe intermediate and long rates will drop. Their view of the bond portfolio reveals a difference from Fulton, which he indicated was a good thing, is that there is representation in the short, intermediate and long range to the overall pension fund. They believe that inflation will go a little higher but will come down as oil prices drop. With the Fed moving rates with oil prices, it will hit the consumer. Many people have taken equity out of their homes at 3.5, 4, 4.5 and now 5%, which is going up to 6, 6.5 and 7%. It will have to be paid back, and that is one of the reasons they believe the GDP is going to slow down. They see a strong fixed income market and project a very positive return in 2006. Their strategy is well positioned with the bond portfolio.

Mr. Paese noted that, on the equity side, they had not projected that the markets would be quite as strong going into 2006. They remained on course and will be balanced with almost 50/50 in the overall portfolio. As

far as the fixed side, there could be a 8 to 9% return on the fixed market. The value is well positioned with small and mid financials and internationally as well. They expect to push to the 5% policy range. Net assets summary showed a net increase of \$30,000 for the quarter. The equity piece was .9% versus the blended benchmark of 1.4%; however, the 12-month return was 5.8% versus 3.3% on the blended benchmark. Since inception it was 6.50% versus 4.40%. Mr. Paese focused on the 12-month figures and noted that cash was 3.10% versus the benchmark of 2.70%. The bond market was 6% versus a 1.6%, which is a direct result of being long to the index. U. S. Equities outperformed the S&P of 5.8% versus 4.9% and international was right on the benchmark for the year. Mr. Paese provided a detailed breakdown of the performance and focused on the three-year performance, which revealed 9.1% versus the blended benchmark at 7.8%. They had been underweighted to the benchmark and expect to add a little more technology and will stay overexposed in health care. The financial overweight hindered the fourth quarter results. Individual performance year to date had not done well. However, they believe it will change because of the benefit the banks will get with the push up in interest rates. They sold some energy and increased the utility exposure because of the yield aspect, which hadn't helped on principal. Valuations actually hurt to some degree, so some change will be made during the year as it related to the individual portfolio and what will begin to dominate in that area.

DVOYAK

Mr. Dvoryak asked for an explanation about the pre-tax return of 1.52% for three months.

PAESE

Mr. Paese responded that it was to the benchmark. As of 12/31/05 that performance was for the three months; however, it does not include the bond; strictly the equity.

Mr. Paese noted that the Kalmar was at 5% against the Russell at 4.15%; growth index at 5% versus the S&P at 4.91%. The two international funds are doing well. A pie chart was provided to show taxable bonds were at 49%, 3% in cash and stocks at about 48%.

Mr. Paese noted that they like their position in the bond market; however, they will do some adjustments on the equity side adding to the international and repositioning some of the individual portfolio. Mr. Paese reported that they are holding well on a three-year basis. He anticipated that they should be able to provide the actuarial number because the bond portfolio could be around that actuarial assumption for the year; perhaps a bit higher.

- ZIMMERMAN** Mr. Zimmerman questioned that if Legacy's part of the bond market is intermediate, why they wouldn't sell the long-term treasury and buy intermediate and lower the risk.
- PAESE** Mr. Paese responded that the incremental move on the yield curve will provide a bigger result out of the 30 year than the intermediate. They make take some of that off the table, but it was premature to make that decision.
- DVORYAK** Mr. Dvoryak asked for opinions pertaining to the investment policy. There were several elements that he noted, which were the international exposure at 5%, non-U. S. companies at 5%. He asked whether that was low for these types of funds.
- PAESE** Mr. Paese responded that it was actually 5% of the total portfolio, and was on a balanced portfolio at 10% of the equity.
- DVORYAK** Mr. Dvoryak asked whether that was a reasonable number.
- PAESE** Mr. Paese responded that there were a couple of portfolios that were pushing 12%, but not much more than that.
- BISHOP** Mr. Bishop noted that it was a good question from the point of view of what the investment policy should be because the Township hires Legacy and Fulton to decide what that number should be, and if the board puts a cap on it, then they are not able to make that decision.
- DIEM** Mr. Diem noted that Fulton is at 20%, but that's half the portfolio, so it would be 10%.
- ZIMMERMAN** Mr. Zimmerman agreed that they are at the max. He stated that it seemed like something that should be addressed. It may be risky, but there are managers who want 30% of their equity in international. Internationals might be up when U.S. is down, and if there is a correlation there it helps overall.
- BISHOP** Mr. Bishop thought that part of the reason that that number is reasonably low is historical and may not be relevant. Twenty years ago there was more risk to international because the information was not as available as it is today. It could be short sighted to ignore the international market.
- DVORYAK** Mr. Dvoryak asked what their thoughts are on hedge funds in general.
- DIEM** Mr. Diem responded that he had been involved with PNC Advisors and hedge funds were included in their arsenal of investments. They used hedge funds for the larger clients that were pretty sophisticated. Hedge

funds depend a lot on volatility in the market to make money, and the performance last year was lower than the market. In addition, their expense ratios are high. He expanded on the fact that they use a manager of managers, and there are a lot of hurdles. The expenses eat up the return.

PAESE Mr. Paese indicated that they did not have a comfort level from a fiduciary standpoint to bring that into play. However, there could be a small piece in real estate but they would not be comfortable with it.

HOLMAN Mr. Holman asked whether the board would want both the advisors to send recommendations on international funds and whether or not to amend the policy.

PAESE Mr. Paese indicated he would have no problem if they want to make a change.

BISHOP Mr. Bishop added that changing the policy doesn't mandate anything; it allows for more flexibility.

HOLMAN Mr. Holman asked what the recommended number should be.

PAESE Mr. Paese responded that it would be no more than 5% of the market value of the total portfolio.

BISHOP Mr. Bishop assumed that there would be no requirements.

HOLMAN Mr. Holman noted that he would check with the attorneys and re-write the policy.

DIEM Mr. Diem noted that there should be some flexibility, but to guard against taking an excessive speculative position. Perhaps it could be loosened up to 15% of the total portfolio. He added that by having quarterly meetings for review of the assets provided for safety.

F. Old Business

There was no Old Business for discussion.

G. New Business

HOLMAN Mr. Holman indicated he would provide a revised investment policy for the next meeting.

H. Committee Motions

- 1. Approval of Cost of Living Increases as listed on attached document for Gerald Williams, Robert Harman and Harold Kessler. Cost of Living increases are per plan document and calculated by actuary, Mr. Thomas Zimmerman.**

HOLMAN Mr. Holman reported that the item included standard cost of living increases as per the plan document as calculated by Mr. Zimmerman. He requested a motion to approve them.

DVORYAK Mr. Dvoryak questioned the item for Gerald Williams as he had been approved previously for a cost of living. He wondered whether it was a duplication. He referred to the minutes of the November 2, 2005 meeting noting an increase for Gerald Williams, Richard Zeigler, John Bumstead and Alan Naylor.

ZIMMERMAN Mr. Zimmerman responded that it should be a duplication and should be once a year. He added that this was Mr. Williams' last one because he is now at the max.

HOSE Ms. Hose stated that the calculations were being made at that point.

MR. BOWMAN MOVED FOR THE APPROVAL OF THE COST OF LIVING INCREASES LISTED ON THE ATTACHED DOCUMENT FOR GERALD WILLIAMS, ROBERT HARMAN AND HAROLD KESSLER; COST OF LIVING INCREASES ARE PER PLAN DOCUMENT AND CALCULATED BY THE ACTUARY MR. THOMAS ZIMMERMAN. MR. BISHOP WAS SECOND. MOTION UNANIMOUSLY CARRIED.

I. Adjournment

DVORYAK Chairman Dvoryak adjourned the meeting at 6:15 p.m.

Respectfully submitted,

John Holman
Secretary

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**SPRINGETTSBURY TOWNSHIP
ANNUAL POLICE PENSION BOARD REORGANIZATION**

**JANUARY 3, 2006
APPROVED**

The Police Pension Board of Springettsbury Township held the Annual Reorganization Meeting on Tuesday, January 3, 2006 at 7:30 p.m. at the Township Offices located at 1501 Mt. Zion Road, York, PA.

MEMBERS IN

ATTENDANCE: Bill Schenck
Don Bishop
Nick Gurreri
Mike Bowman

MEMBERS NOT

PRESENT: George Dvoryak

ALSO IN

ATTENDANCE: John Holman, Township Manager
Dori Bowders, Manager of Administrative Operations
Betty Speicher, Director, Human Resources
Jean Abrecht, Stenographer

1. Call to Order

GURRERI Chairman Gurreri called the meeting of the Police Pension Board to order at 7:30 p.m.

2. Appointment of Township Supervisors as Members

A. Current Members: Bill Schenck, Don Bishop, Mike Bowman, Nick Gurreri and George Dvoryak

MR. SCHENCK MOVED TO APPOINT THE CURRENT TOWNSHIP SUPERVISORS AS MEMBERS OF THE POLICE PENSION BOARD. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

3. Appointment of Police Officers as Representatives:

A. Current Representatives: Sergeant David Trott and Officer Ogden Dickerson
Proposed: Sergeant David Trott and Officer Ogden Dickerson

HOLMAN Mr. Holman stated that he had discussed this item with the members of the bargaining unit.

MR. SCHENCK MOVED TO APPOINT POLICE OFFICERS AS LISTED ON THE AGENDA AS REPRESENTATIVES. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

4. Election of Officers

A. Current Chair: Nick Gurreri
B. Current Vice Chair: Mike Bowman
C. Current Secretary: John Holman

**SPRINGETTSBURY TOWNSHIP
ANNUAL POLICE PENSION BOARD REORGANIZATION**

**JANUARY 3, 2006
APPROVED**

GURRERI Chairman Gurreri stated that Mr. Dvoryak expressed an interest in Chairing the Police Pension Board.

MR. BISHOP MOVED TO APPOINT MR. DVORYAK TO THE OFFICE OF CHAIRMAN OF THE POLICE PENSION BOARD. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

MR. BOWMAN MOVED TO APPOINT MR. GURRERI TO THE OFFICE OF VICE CHAIR OF THE POLICE PENSION BOARD. MR. BISHOP WAS SECOND. MOTION UNANIMOUSLY CARRIED.

MR. SCHENCK MOVED TO APPOINT MR. HOLMAN TO THE OFFICE OF SECRETARY OF THE POLICE PENSION BOARD. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

5. Other Items

- A. Meeting Dates for 2006 (9:00 a.m.)
 - February 1, 2006
 - May 3, 2006
 - August 2, 2006
 - November 1, 2006

GURRERI Chairman Gurreri stated that Mr. Dvoryak would not be able to Chair the meetings during the mornings. He asked whether the meetings could be held earlier during the regular meeting nights.

HOLMAN Mr. Holman indicated the meetings could be held at the Board's pleasure. He offered to discuss the matter with the members, as well as the financial advisors, to determine a mutually convenient time and dates.

MR. BISHOP MOVED TO HOLD THE POLICE PENSION BOARD MEETINGS AT 5:00 P.M. ON FEBRUARY 9, MAY 11, AUGUST 24 AND NOVEMBER 15, 2006. MR. SCHENCK WAS SECOND. MOTION UNANIMOUSLY CARRIED.

6. Adjournment

GURRERI Chairman Gurreri adjourned the meeting at 7:35 p.m.

Respectfully submitted,

John J. Holman
Secretary

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