

**SPRINGETTSBURY TOWNSHIP
POLICE PENSION BOARD**

**NOVEMBER 6, 2009
APPROVED**

The Police Pension Boards of Springettsbury Township held a meeting on Friday, November 6, 2009 at 12 Noon at the Township Offices located at 1501 Mt. Zion Road, York, PA.

MEMBERS IN

ATTENDANCE: George Dvoryak, Chairman
Nick Gurreri
Don Bishop
Bill Schenck

MEMBERS NOT

IN ATTENDANCE: Mike Bowman

ALSO IN

ATTENDANCE: John Holman, Township Manager/Secretary
Dave Trott, Police Department
Joe Paese, FNB Wealth Management
Renee Lachure, FNB Wealth Management
Richard Diem, Fulton Financial
Annette Hose, Fulton Financial
Jean Abreght, Stenographer

A. Call to Order

DVORYAK Chairman Dvoryak called the Police Pension Board meeting to order at 12 Noon. He asked Mr. Holman whether a Quorum was present.

HOLMAN Mr. Holman responded that a Quorum was present with 4 members.

B. Action on Minutes

1. Fire/Police Pension Meeting of August 27, 2009.

MR. BISHOP MOVED FOR APPROVAL OF MINUTES OF THE AUGUST 27, 2009 MEETING. MR. SCHENCK WAS SECOND. MOTION UNANIMOUSLY CARRIED.

C. Public Comment

There was no public comment.

D. Correspondence and Other Communications

1. Police Pension Reports:

- a. Acknowledge Receipt of Payroll Pension Contribution Reconciliation Report.**
- b. Acknowledge Receipt of Fulton Financial Trust Report for Second Quarter 2009.**

- c. Acknowledge Receipt of Fulton Financial Trust Report for August 2009.**
- d. Acknowledge Receipt of Fulton Financial Trust Report for September 2009.**
- e. Acknowledge Receipt of Fulton Financial Trust Report for Third Quarter 2009.**
- f. Acknowledge Receipt of F.N.B. Trust Report for Second Quarter 2009.**
- g. Acknowledge Receipt of F.N.B. Trust Report for August 2009.**
- h. Acknowledge Receipt of F.N.B. Trust Report for September 2009.**
- i. Acknowledge Receipt of F.N.B. Trust Report for Third Quarter 2009.**

MR. SCHENCK MOVED TO ACCEPT THE REPORTS LISTED ON THE AGENDA ITEMS D.1.a through i. MR. GURRERI WAS SECOND. MOTION UNANIMOUSLY CARRIED.

E. Reports from Financial Advisors.

1. F.N.B.

PAESE Mr. Paese indicated that he and Ms. Lachure would present a joint report and review the written report provided to the board.

LACHURE Ms. Lachure reported on the overall economic picture. Reports indicate that the recession is over with a GDP growth for the third quarter of 3-1/2% with good performance in the economy. The pace of decline at the worst has contracted and there is improvement. Unemployment is up at 102%; however, job destruction, non-farm payroll number was negative \$195,000. The pace of job destruction has decelerated. Job creation will likely take place in a few months.

GURRERI Mr. Gurreri commented that he had attended a bank meeting and they don't see the recession improving. He added that it is a whole different industry.

PAESE Mr. Paese responded that the banks would be on the borrowing side.

LACHURE Ms. Lachure added that credit is still tight, which is a problem for small businesses. Nationally they see that the economy is growing, which is an improvement over nine months ago. Ms. Lachure indicated that the Pennsylvania Governor reported that the layoff/shutdown number far exceeded the new hiring/new job creation number and that Pennsylvania had experienced a dramatic turnaround. The economy in Pennsylvania is slightly ahead of the national economy. The unemployment rate has lagged, but is below the national average.

PAESE Mr. Paese provided a summary recap. He indicated that it had been a pretty good quarter. There were disbursements for the fiduciary fees. Earned income resulted in a net increase of almost \$352,000 for the quarter. Over the previous two quarters income, dividends and interest, as well as appreciation on securities resulted in approximately \$630,000. At the end of September about \$4,575 million in the account had come back, which was a nice recovery for two quarters.

LACHURE Ms. Lachure discussed the holdings in Section V of the report. She reported that the account was broken down by Cash, Fixed Income and Equities. She noted the bond positions and mutual funds, particularly the Neuberger Berman high income bond fund, a high-yield, high-quality junk bond fund, which had performed well at 7.6%.

GURRERI Mr. Gurreri commented that 1.5% is about the most anyone can get in any local bank.

PAESE Mr. Paese stated that the percentage allocation is 2-1/2%. They do see principle value at approximately 17%.

LACHURE Ms. Lachure continued the report summarized below:

- Vanguard short-term investment grade fund resulted in an appreciation of 4.25% at current market levels.
- Stocks and bonds – broken down into governments and agencies, investment grade, high yield money market.
- Equity position – broken down into large cap, mid cap, small cap, international and real assets.
- Sector allocation of U. S. stocks; biggest segment of S&P 500 was technology followed by energy staples and industrials. Equity mutual funds included Cohen & Steers, a REIT real estate fund, Conestoga, and Dodge & Cox.
- Growth stocks outperformed dividend paying or value stocks.
- Performance for the quarter was 84 versus the benchmark of 88.
- Moving more to a blended strategy from value orientation.
- Asset allocation – 52% equity, 40% fixed and 8% cash.

2. Fulton Financial

HOSE Annette Hose presented the accounting report. Market Value as of July 1, 2009 was \$3,961,705.62; Total Receipts between Employee Contributions, Investment Income and Capital Gains, Realized and Unrealized was \$376,749.06. Total Disbursements, which included the Pension Payments and Expenses was \$149,573.75. Market Value of the portfolio as of September 30, 2009 to \$4,188,880.93.

DIEM Richard Diem stated that Ms. Lachure had provided a very good summary of the economy and the markets. Tab I – Chart which is the channel chart. Gives you a feel for whats been happening in the markets. We've had a huge bounce back since March 9th where we had the low in the market. Overall the markets are up about 60% from that low period. That's good news. The first part of that bounce back was a reaction to the overselling of the market that happened before. When the second quarter came around for the earning season things came out pretty well as far as earnings per share and what they expected in the market. Most companies for the second quarter actually beat their earnings estimates and a lot of that was done just by cost cutting. Revenues fall pretty light. The third quarter – a lot of the companies have been beating on the revenue side and the bottom line side. That's a good sign too.

The market has bounced back, and you see the chart into the middle of its range. We feel the market is fair valued at this point. The median company trades about 15 times earnings which is the average for the long term. Hopefully that will stand. That might be a little highly valued in a market where it's so tenuous. The economy is still very fragile. The trick for the market to continue to move up, and I don't think it'll move up like it did before for March or even from July, but it can continue to go up we feel – the big trick will be how does the Federal reserve get out of all this? They have rates of 0% right now, which is extremely low. You can't go any lower. That's a suitable interest rate for when the economy is in a crisis. There is systemic failure. Going forward the Fed is going to have to start raising rates because one thing will happen, which will be a big issue – the dollar will get beat up. We've been seeing that this year. When that happens oil prices go up, gold goes up, inflation comes down the road. The Fed is going to have to negotiate that very carefully. That could be the area that could trip everything up.

GURRERI that won't change a lot, the interest rate?

DIEM I don't think so. Not any time soon because the Fed is fighting one war right now. They're fighting the war of deflation and a poor economy. I think they'd rather just let rates stay low and have inflation down the road because they don't want to hurt the economy and they're more comfortable dealing with inflation than deflation, so I think we're setting up for perhaps a hockey stick where we might have a little bit drop in prices but a pickup on the other side down the road.

GURRERI do you think in six months, a year, two years that'll happen?

DIEM probably in 2010 we'll start to see rate increases and I would imagine probably in the spring. I think the bond market's pricing a spring ¼ % increase at that point, April or May. And they'll do it incrementally so you will see rates start to pick up a little bit. For the fact that the Fed really did not want to move rates much at all I think that's a little bit scary because it sends a message that the economy still is very fragile and if they start raising rates, even up to 2%, which has been suggested, they feel that could hurt the economy. Normally 2% would be extremely stimulative, so I think things are still a lot more tenuous than what they seem to be at this point because, compared to last year, we're not having to collapse the financial system so it feels much better but it's still very shaky.

I'll move on to Tab II. This would be the combined portfolio to show you what your account looks like at this point. We did get a new assistant to replace the girl who was our temp worker before that made the books that fell apart. I apologize. When I looked at my book yesterday, I noticed that sometimes there was police in the firemen's report and vice versa. If there are any of those issues I have extra copies that we can get the right portfolio in the right book for you.

If you have the policemen here the total market value is about \$4.6 million. It's a 50/50 portfolio is the target. You're pretty much in a 50/50 portfolio right now. Equities are half and fixed income makes up about 39.7%. We have about 10% in cash and that will be the distribution made throughout the year. What will be paid out we keep in cash. Going forward from this point I'll be cutting back on the equities a little bit and moving more into fixed income

because if you factor out the cash we're probably a little bit higher in equities than fixed income if you take that piece out. We've had a good run in the equity market so it's time to take a little bit off there and not get too greedy with our allocation.

I'll jump ahead a couple pages to page 4 and you'll see a combined portfolio. This is the page with a lot of bonds on it. This is the biggest change that we've made in a while. Typically in the past we had a common fund, Fulton Financial Advisors Fixed Income Fund. Now you actually are seeing the bonds behind the portfolio. This is a separately matched account managed by Federated out of Pittsburgh. It's their intermediate government credit strategy that you see here. So there's a lot of purchases and a lot of sales that took place between last period and this period. It's a good portfolio. I'm really impressed with what Federated promised and what they delivered. The portfolio is fully invested. It is 1/2 in government bonds, about 47.11%. There are a couple agencies there, a lot of treasuries. The bigger bond pieces in the portfolio that you have, the 4%, the 6.74%; that's all the treasury, that's in the areas that are very safe to be in. When you look at the corporate below that and you'll see all the corporate bonds are 1 to 2 % so they built a portfolio that where they take big positions it's in the safest areas. Where they have a little riskier areas like the corporate, they take smaller positions. The duration of the fund is about 3.6 years that makes it intermediate and we're posturing that for inflation because you don't want to be out too long with bonds when rates start to go up. This is a little bit of a shorter bond portfolio. The fee for running this fund is 20 basis points. That's half of what the other expense ratio was when you had the Federated Mutual Fund for a little bit of time there.

One thing you'll see interesting as you look through the holdings here, and this would be on the next page, page 5, is at the bottom we have a Federated corporate bond strategy portfolio. I mentioned before about what they call these maps, which are actually managed account portfolios. It's like a mutual fund inside your portfolio. It has no expense ratio with it. Right there that's where they're taking a little bit of an extra risk with BBB bonds, which are investment grade but they're the lowest investment grade right there. You can see the yield is about 5.25% in your portfolio. The way we have the portfolio structured it emulates a bit of the firemen too where it says strictly investment grade only, and we took that tact here to be strictly investment grade. As you re-write your investment policy statement if you want us to give us the ability to be in what we view the world where we couldn't be, junk bonds, international bonds, the more aggressive areas of the market, we'd love to be able to let Federated use some of their expertise in that area. But the way we have it built right now, we're only saying investment grade in the portfolio. That would be something to consider as you re-write things here.

That's the big change. When you move up a couple pages to the equities on page 7, you can see actually any changes from the way it was before. It's still a Retirement Common Stock fund and that's the Large Cap growth right there. That's about 36% of your portfolio. And for at least a year and a half, maybe two years, we've been emphasizing large cap growth in a portfolio over large cap value, and that's bigger than our biggest overweighting. That's the Retirement Common Stock fund. The book end to that would be Large Cap Value, and that would be the MFS Value Fund. You can see about 28% of the portfolio. We like large cap rather than small cap but we've been overweighting growth as opposed to value. Small cap is Loomis Sayles, about 5%, which is under weight. We've a little bit of merging market at 3-1/2%, the Eden

Vance. The Harbor International is in the other portfolio too. That's at 17.65%. So about 20% of your portfolio is international in total.

Then we have Principal Mid-Cap at 10% of your holdings. That's a market weight we regard in mid-cap.

I'll flip to the next section, Tab III – This will show you the performance for the different sectors. The asset sector allocation you saw on the left hand side already when we looked at the holdings here. The quarterly results for September 30th, the account was pretty much in line with the benchmarks, up 9%, so it was a very strong quarter for the equity markets. If you go below that you'll see total equities of 15.38% versus the S&P at 15.61%. So we're pretty much in line with the S&P 500. As Joe mentioned most of the sectors did underperform the S&P 500 for the quarter. The Retirement Common Stock fund was a little behind the S&P, pretty much in line with this benchmark, up about 13%. The MFS Value actually had a bad quarter, was up only 12.7%; the index was up 18%. If you look at the one-year number to the right of it, it's actually been doing quite a bit better than its benchmark on a longer-term basis. We're still very comfortable with MFS. Principle MidCap up about 15.55% lagging its benchmark slightly, but again, doing well on a longer-term basis. We're continuing to hold that. The areas that did very well for the third quarter were the international and the small cap. Loomis Sayles was up about 19% for the quarter. Eaton Vance, which is the emerging markets was up 22% and the Harbor International was up 21.92%. So it has been the more riskier areas of the market that really have led the rally upwards here. As Joe and Renee mentioned, it has been the value side that has been lagging or the quality side, and that scenario you'll see next time when we get back together, we'll be shifting a lot of our over-exposure in growth to an even weight between growth and value and we'll be adding to some of the higher dividend names in the portfolio just because they've lagged so much and we see an opportunity right there to increase that.

The bonds slightly outperformed for the quarter, 3.77% versus 3.25% and Federated – those bonds that you saw in the portfolio were purchased in October so they're all very new and hopefully they will continue to do well for us.

Going backwards a little bit to longer time frames of one year, we're up about 4.65%. The index is 1.07% so we're about 3.50% ahead there. Basically that came on having the equities do a lot better than the benchmark. We were off 2.39% over the one year versus -6.91%. Three years we look pretty good too: 1.77% at the total account level per year. The index is .18%. Five years, 4.29% versus 2.76% and since inception we're still ahead by about 1.4% per year, 4.59% versus 3.13%. Questions on performance?

I will just show you the last section, Tab V – These are all the tear sheets for the different products in the portfolio, the Retirement Common Stock Fund, which is Fulton's Large Cap Growth Strategy. Then we have the Morningstar Sheets for all the different mutual funds. The one difference is at the back here. The last three pages show the Federated Intermediate Investment Grade strategy. This strategy we're keeping all investment grade. We would like to have the ability to get to the junk bond area too. There are some good opportunity there but we will be doing it just the way it's set up until we get your okay. Of course we've talked in the past about getting some alternative assets in the portfolio. We were looking at Managed Futures,

Real Estate and those things. They are prohibited to be in the portfolio so as you craft that new IPS maybe we can consult with you if you'd like us to.

Here's the Bond Strategy. The one piece that's kind of interesting is at the back here. It shows your Federated Strategy with your holdings. They're a little bit short to the benchmark as far as duration goes. They're positioned for higher interest rates. They're typically overweighting corporate area because if you look at treasuries there's not much of a yield in treasuries or agencies so you have to go to the corporate world, and that's really the advantage of federated there because when they buy these corporate, they're doing their own research on corporate bonds. They're not waiting for S&P or Moody's to come in with their rating changes. Not only do they have their own proprietary research that identifies good corporate bonds to buy, but also they're big companies; they're buying names a lot cheaper than what a smaller company like Fulton can do. Also they're just getting access to a lot better bonds than what we were able to. We've been really pleased with the Federated Bond portfolios and hopefully it will continue to work well for you too. That's about it. Questions?

DVORYAK should a shift lightening up on equities?

DIEM YES, that'll be part of it. Since we're a little bit overweight equities relative to fixed income, which has worked pretty good, we're going to take a little off the table there, and then within the equities adding a little bit more to the higher dividend areas because we felt that area is really lagged compared to the market. It'll be probably a little more conservative portfolio the next time you see it.

F. Old Business:

DVORYAK Chairman Dvoryak asked Mr. Holman whether there were any new updates on the work of Conrad Siegel.

HOLMAN Mr. Holman responded that a draft policy would be provided for the first meeting of 2010. He hoped to provide that report several weeks in advance of that meeting for review.

G. New Business:

1. Set Date and Time for Reorganization Meeting

- i) January 4, 2010 at 5:30 p.m.

HOLMAN Mr. Holman stated that January 4th will be the first Monday of the new year. The Second Class Township Code mandates a meeting on that day. He suggested the Police Pension Board meeting begin at 5:30 p.m.

Consensus of the board was to meet on January 4, 2010 for the Reorganization meeting.

SCHENCK Mr. Schenck commented on hearing the word, "junk" bonds and noted that it surprised him as he thought it as an area they tried to avoid.

DVORYAK Chairman Dvoryak asked whether the current policy excluded junk bonds.

HOLMAN Mr. Holman responded that junk bonds are not allowed to be invested.

BISHOP Mr. Bishop commented that it depended how junk bonds are defined.

HOLMAN Mr. Holman noted that there is a grade limit, as junk bonds are much more risky public funds. It would be a subject for discussion during the IPS review.

DIEM Mr. Diem noted that BBB are the lowest investment grade bonds available for purchase. As a result the yield is up slightly higher. He added that junk bonds by definition are just below investment grade. He commented that the portion for policy discussion is real estate, which he thought was prohibited.

HOLMAN Mr. Holman noted that the state prohibited real estate. The township is not permitted to be involved in that.

DVORYAK Chairman Dvoryak asked Mr. Holman to send a follow up letter to clarify the point to make sure they understand the current policy and ask for comment. He added that he thought real estate amounted to about 2% of the portfolio.

Consensus to have the issue clarified by letter was given by the board members.

TROTT comment – not on the agenda for today but I received information today about a Senate Bill that recently was signed by the Governor. What it does is takes the responsibility away from the municipality to provide the spouse of an officer who has been killed in the line of duty where presently we have to pay that spouse or dependent child their entire salary until the death of the spouse, as well as \$100,000. It used to be on the municipality, and we acquired insurance to protect ourselves against that. Now the state has the responsibility, so it looks like ...

HOLMAN Act 55 was passed, which overrode Act 31 and also adjusted Act 600. I do have a letter back from Mr. Zimmerman and I have a letter back from personnel attorney Pat Harvey based on their review. By the end of the year we will not renew them, but I also have scheduled a meeting with the President of the Police Bargaining Unit to meet with him and advise him of this recommendation as a courtesy and to discuss how his would affect them. I think everyone is comfortable with the law that says the state will pay for it, but we did do some double checking to go back because I don't want the township liable to the point of purchasing the insurance was that if, God forbid, someone were to be killed in the line of duty then that insurance would come in and our pension fund would still stay whole. So now the state has taken on that responsibility. That will be coming up in the next meeting. I did want to meet with the President of the bargaining unit and have a chat with him about it.

BISHOP who owns that insurance, the township?

**SPRINGETTSBURY TOWNSHIP
POLICE PENSION BOARD**

**NOVEMBER 6, 2009
APPROVED**

HOLMAN at this point the township pays out of the pension fund about \$8,000 a year for “killd in service benefit” The state, under Act 55 has now taken over that responsibility to say that if an officer, whether local, municipal, state or sherriff, EMT, - it really is a very broad policy – they will then take on that responsibility. I’m not exactly sure how, but they’re going to take that on, so it will no longer be the responsibility, nor would it impact our Pension Fund should that occur.

TROTT what did the insurance provide? Did it provide for a lump sum payment?

HOLMAN no, what our insurance provides is \$500,000 which is the actuary estimate for the value of that benfit. So that half million would actually come into the pension fund and then offset – it would be an asset offsetting a liability in the economics of it. That’s how that would work. We would literally get a lump sum payment to come in and then Fulton Financial would then pay that out of that fund that benefit. Each year we’ve been revisiting that to make sure we’re still in good shape. This has been a change and we’re having to revisit it again. Act 55 adjusted Act Act 31 and also took on some of Act 600.

TROTT essentially they legislated this pieceof legislation and dumped it on the municipality an said if this happens here pay for it, but never gave them any way to do it. So maybe they rethought that and said we’d better take responsibility for wha we just did. I don’t know, but it’s pretty hefty and could really hurt your fund.

HOLMAN still have a meeting to go. We just did sign the contract and there is some language, but I do need to meet with the President to just make him aware that we’re going to follow Act 55 before I bring it before the board for any action.

H. Adjournment

DVORYAK Chairman Dvoryak adjourned the meeting at 1 p.m.

Respectfully submitted,

John Holman
Secretary

ja

**SPRINGETTSBURY TOWNSHIP
POLICE AND FIRE PENSION BOARD MEETING**

**AUGUST 27, 2009
APPROVED**

The Police and Fire Pension Boards of Springettsbury Township held a meeting on Thursday, August 27, 2009, 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
Don Bishop

MEMBERS NOT Bill Schenck
IN ATTENDANCE: Mike Bowman

ALSO IN

ATTENDANCE: John Holman, Township Manager/Secretary
George Mount, Fire Department (ar.5:30 p.m.)
David Trott, Police Department
Joe Paese, FNB Wealth Management
Renee Laychure, FNB
Richard Diem, Fulton Financial
Annette Hose, Fulton Financial
Jean Abreght, Stenographer

Call to Order

DVORYAK Chairman George Dvoryak called the meeting to order at 5:05 p.m. He welcomed the members. He announced that a Quorum was present, but only for the police items. He indicated that the first item for action was item D. 1.

D. Correspondence and Other Communications

1. Police Pension Reports:

- a. Acknowledge Receipt of Payroll Pension Contribution Reconciliation Report.**
- b. Acknowledge Receipt of Fulton Financial Trust Report for May 2009.**
- c. Acknowledge Receipt of Fulton Financial Trust Report for June 2009.**
- d. Acknowledge Receipt of Fulton Financial Trust Report for July 2009.**
- e. Acknowledge Receipt of F.N.B. Trust Report for May 2009.**
- f. Acknowledge Receipt of F.N.B. Trust Report for June 2009.**
- g. Acknowledge Receipt of F.N.B. Trust Report for July 2009.**

**MR. GURRERI MOVED TO ACKNOWLEDGE RECEIPT OF PENSION REPORTS.
MR. BISHOP WAS SECOND. MOTION UNANIMOUSLY CARRIED.**

E. Reports from Financial Advisors

- 1. F.N.B.**
 - a. Police**

PAESE Mr. Joe Paese introduced Renee Laychure, Senior Portfolio Manager, of F.N.B. He and Ms. Laychure work directly together on the account. Ms. Lachure's responsibility covers the whole capital region responsibilities under F.N.B.I.A. He asked Ms. Lachure to discuss the economic picture.

LAYCHURE Ms. Lachure provided a recap of a very difficult year. Currently existing and new home sales had improved, and home prices had been going up slightly. There was a very good durable goods number during the week, which was higher than expected. Consumer confidence also was higher. Second quarter earnings reports had been issued, and about 75% of companies beat their earnings estimates, which resulted from cost cutting measures. The Cash for Clunkers program brought money flowing through the economy. Employment is lagging and weekly jobless claims numbers are flat in the high 500,000 levels.

PAESE Mr. Paese provided a brief recap on the fund through June 30th. At the end of March the fund was at \$3.9 million. Throughout the quarter fees of about \$5,000 were paid; earned income was \$3,000. There were some realized gains of \$1,700 and additional appreciation during the quarter was approximately \$239,000. At the end of June the fund was about \$4.224 million. It was a good rebound quarter, inasmuch as the economy came back slightly during that period of time.

Mr. Paese reviewed in detail the printed report that had been provided. Some of the main points revealed that there had been continued improvement through the second quarter and into the third quarter. He provided an evaluation of the mutual funds as of June 30th and they intend to move into some high yield corporate bond funds. With regard to performance the account was up 6.9% versus the benchmark of 7.3% with 47% equity, 38% fixed and 15% cash. Equities were up 14.3 versus the benchmark of 15.9%. The fixed number out performed due to the overweighting in corporate. He added that with the equity side, their tilt had been value orientation which had created some of the underperformance relative to the SMP. With the 12-month number on an absolute basis the account was down 7.7% with a benchmark of 6.3%. They will continue to push equities up to the 55%. Across the board cash, fixed and equities were outperforming the benchmark since inception. He commented on the Investment Objective portion (VIII), which revealed equities at 47%, fixed at 38% and cash at 15%. He commented on taking a longer-term outlook on the performance of the fund.

LAYCHURE Ms. Laychure reported on the particulars in the portfolio with a handout provided to the board, which presented the current-day equity positions. They will focus on adding positions and concentrate on dividend paying stocks and some corporate bonds in the fixed, including some government agencies. They review the high credit quality, high yield funds with investment rated bonds of BBB, A, AA and A. Ms. Laychure continued to review in detail the U. S. Treasuries, small, mid and large-cap stocks as documented in the presented material.

PAESE Mr. Paese provided a response to the Conrad Siegel audit of the funds, summarized:

- Investment Policy Statement to be revised, updated, tightened, etc.
- Mutual Fund Watch List – Ms. Lachure heads committee that monitors mutual funds. They watch and replace as needed.
- Dodge&Cox – Mr. Paese disagrees inasmuch as it was number one large cap value fund in the U.S. Year to date in the 16th percentile for its category.
- Strategic Value Fund – Concern for manager tenure; current manager has been in place for 10 years, not three as alluded to by Conrad Siegel.
- Conestoga – Concern about size; individuals are well known to Mr. Paese, but if the fund is too small, they will replace it.
- Harbor Fund – Manager Issue – Managed by multiple managers; some 21 plus years; top fund ranked #1 June 30th.
- Individual holdings not enough – There are well over 50 positions; well diversified on holdings side.
- Central Fund of Canada, a commodity – Agree to disagree; it is a stock that deals in commodities. If there's a need to exit, no problem.

DVORYAK Chairman Dvoryak requested Mr. Paese to provide some details on the Central Fund of Canada for further evaluation.

LAYCHURE Ms. Laychure responded that they would provide a Bloomberg Report as well.

PAESE Mr. Paese continued that there had been a question about real estate. They had rotated out of the Reits when the real estate went bad. They had begun to come back in, 3%, using a fund rather than individual Reits. Mr. Paese indicated they could provide additional information with regard to the Investment Policy Statement.

DVORYAK Chairman Dvoryak noted that one item he had not heard mentioned was the rebalancing comment that had been made about some items being outside the 5% range.

PAESE Mr. Paese responded that the Investment Policy Statement was silent on that.

HOLMAN Mr. Holman agreed. Conrad Siegel had brought up the fact that rebalancing the funds over time should be reviewed and will become an issue when the policy is re-written.

PAESE Mr. Paese commented that they would have no problem with that.

HOLMAN Mr. Holman stated for the record that on the reports made during the work session, it was stated that both fund managers had done a good job.

DVORYAK Chairman Dvoryak thanked both Mr. Paese and Ms. Laychure for their report.

2. Fulton Financial
a. Fire
b. Police

HOSE Annette Hose, Fulton Financial, presented the Police Pension Plan Portfolio report. The Market value as of April 1, 2009 was \$3,769,669.04. Total contributions including gains for the quarter \$352,411.54. Total Disbursements between distributions and expenses were \$160,473.96. Market Value as of June 30, 2009 was \$3,961,705.62.

Ms. Hose presented the Fire Pension Plan Portfolio report as well. The Market Value as of April 1, 2009 was \$2,241,553.90. Total Contributions between employee contributions and income was \$202,922.39. Disbursements for the quarter were \$36,013.25. Market Value as of June 30, 2009 was \$2,408,463.04. She indicated that all the rest of the information was identical for both portfolios.

DIEM Mr. Richard Diem, Fulton Financial, presented a report addressing both portfolios as well as possible. He indicated that both the police and fire funds are almost exactly similar with the exception of the allocation between equities and fixed income. He provided some economic analysis indicating that Mr. Paese had done a good job of assessing the economy. Mr. Diem did not think that the economy was steady at this time, and indicated it might be a harder push upwards for the equity markets. The U. S. economy is still very weak. He reviewed the report presented in detail with some points summarized:

- First quarter GDP were 1% negative growth following a 6% drop in the fourth quarter of 2008.
- Employment numbers in July were decent and provided a much better month for the market;
- Unemployment was still historically high at 9.9%; still losing jobs at 300,000 a month.
- The Federal Reserve discount rate - .25% or ¼%. Most research indicates there will not be any rate increases until 2010. Value of the U. S. dollar has fallen.
- Recession is probably over but the recovery will take several years.
- Even with a weak economy they believe the markets will do reasonably well through the process.

DIEM Mr. Diem reviewed the performance and allocations of both funds, which were documented in the printed material. They had rebalanced the portfolios May 1st and both were close to the benchmarks.

TROTT Officer Trott commented that some of the funds indicated a one-year comparison. He asked whether that was a newer fund or whether they don't document back three or five years or since inception.

DIEM Mr. Diem responded that he typically tries to keep that to the exposure in the fund with a one-year basis. Common stock had been in the portfolio a long time, and as a result there are longer-term numbers for that. He added that there are Morningstar tear sheets for any of these funds and the longer term performance can be seen there. He noted that they had outperformed on the equity and fixed to overall allocations and there was no plan to change that allocation going forward.

Mr. Diem reported on one big change that happened at FFA during the year in that they no longer run their own fixed income fund. There was a common fund, Retirement Fixed Income Fund in the portfolio. FFA is not running that and is using Federated, which is a provider of fixed income services in Pittsburgh. They are using them as the separate account manager for that. Currently the fixed income is in a mutual fund. It is the Federated Intermediate Government Fund run by Federated and is no longer the Fixed Income Fund. What they would like to do is use Federated to manage individual bonds for the portfolio similarly to what FNB does with the portfolio. Instead of using a mutual fund, all the individual bonds and strategy will be documented in the portfolio. He referred to the Federated Fixed Income proposal that was provided. He reviewed the information documented and indicated that the Policy Statement would have to be reviewed to determine whether to use high yield, but Federated could customize it to be more aggressive on the police side and less aggressive on the fire side at a lesser price than a mutual fund. Mr. Diem indicated it would be a nice win for the client.

DVORYAK Chairman Dvoryak asked whether Mr. Diem could provide some performance information as to how they had done historically.

DIEM Mr. Diem responded that the performance would be in the benchmark. He was not sure what strategy might be used, but he will provide that information. He added that they had been beating the benchmarks.

BISHOP Mr. Bishop asked whether it was Mr. Diem's opinion that he required the board's approval to make this change.

DIEM Mr. Diem responded that it was due to the fact that they would open up another account, and it would not cost any more from a fee standpoint, but it would involve a base strategy change from using a pooled investment vehicle to one that it is an outside manager of mutual bonds in a separate account .

DVORYAK Chairman Dvoryak indicated that there was nothing in the current Investment Policy Statement to prevent him from getting into it.

DIEM Mr. Diem indicated that the only thing would be a diversion of the fact that as a mutual fund they don't see the fee. That's 20 points versus the 40 hedge that's a mutual fund. He indicated they would be more comfortable with the board's approval to pay an explicit fee in that situation.

DVORYAK Chairman Dvoryak asked how they would assess the risk level of this approach versus the current approach with the Retirement Fixed Income Fund.

DIEM Mr. Diem responded that since they had switched and turned the Fixed Income Fund over to Federated, the risk would be no different. It would be the same managers but a cheaper price.

DVORYAK Chairman Dvoryak stated that he had not heard a downside. It would be the same risk at a lower price.

DIEM Mr. Diem responded that they would need to work with each pension plan to be sure they are adhering to the Investment Policy Statement.

HOLMAN Mr. Holman suggested that the board might want to take a vote from the police and then the fire members since it involved two separate plans.

GURRERI Mr. Gurreri asked what it would cost to change and whether stocks and bonds would need to be sold.

DIEM Mr. Diem responded that there would be no transaction fee for selling out of a mutual fund. There would be a brokerage fee as bonds are bought and sold. Buying in small pieces the price goes up. It is imbedded in the price of the transaction, but Federated can do this for a small fee. There would be no explicit fee in buying individual bonds. There would be a very different looking portfolio, but no fee to sell out. They trade on a spread.

MOUNT George Mount asked what funds would be replaced.

DIEM Mr. Diem stated that during the last meeting the Retirement Fixed Income Fund from Fulton was shifted over to Federated. In this case, the Mutual Fund with Federated Intermediate Government Corps fund would come out and if approved, next time they would see about 20 different bonds.

BISHOP Mr. Bishop asked whether he meant taking half of the total portfolio.

DIEM Mr. Diem responded that all the fixed income would be switched.

HOLMAN Mr. Holman asked whether that would relate the same in the police portfolio.

DIEM Mr. Diem responded that it would. The big advantage would be in the customization in the price. The police could actually use a slightly more aggressive fund, and the price would be 20 basis points versus 40 basis points, and exactly what was bought could be seen.

DVORYAK Chairman Dvoryak recapped the recommendation, which would be to liquidate the Federated Government Corporate Institutional Fund/Mutual Fund and move that to Federated Managed Fixed Income Fund.

DIEM Mr. Diem responded that it would be the Federal Separately Managed Account.

MR. BISHOP MOVED FOR THE POLICE PENSION PLAN TO ACCEPT THE RECOMMENDATION OF OUR ADVISER TO CHANGE FROM THE FEDERATED FIXED INCOME FUND TO THE FEDERATED SMA FUND. MR. TROTT WAS SECOND.

GURRERI Mr. Gurreri asked whether Mr. Diem would recommend the action for the police as well as the firemen.

DIEM Mr. Diem responded that he would.

MOTION UNANIMOUSLY CARRIED.

MR. BISHOP MOVED FOR THE FIREMEN'S PENSION PLAN TO ACCEPT THE RECOMMENDATION OF OUR ADVISOR TO CHANGE FROM THE FEDERATED FIXED INCOME FUND TO THE FEDERATED SMA FUND. MR. MOUNT WAS SECOND. MOTION UNANIMOUSLY CARRIED.

DIEM Mr. Diem responded to the Conrad Siegel recommendations summarized: Adding real estate – Held off adding Ridex because of the policy statement not permitting the use of commodities in the holdings. Suggest using a portion of Goldman Sachs as opposed to adding real estate. Not the cheapest but returns have been good; not correlated with less risk.

BISHOP Mr. Bishop commented that the only thing that would prevent doing this now would be the commodity exposure.

DIEM Mr. Diem responded that he was correct; that was what held them back from using Ridex Managed Futures holdings. They would still like to address that.

BISHOP Mr. Bishop added that with the big picture, they would recommend Ridex if the Investment Policy Statement changed.

DIEM Mr. Diem responded that he would like to use both in the portfolio and change the allocation between the two.

BISHOP Mr. Bishop asked if one was strictly commodities.

DIEM Mr. Diem responded that it was commodities and currencies, 50/50 between the two. If he only could have one he would use Goldman because it is a bit more

diversified. With the ability to have both he would use a little of Ridex as well. He continued his comments with regard to the Conrad Siegel audit, summarized:

- Tighten the Investment Policy Statement.
- Changing allocations – board might not want to be so involved in investment responsibility.
- Set definable goals and make sure fund managers are meeting the goals.
- Watch List – FFA does use watch list.
- Fixed Income Fund comments – Currently outperforming on a three-year basis.
- Management tenure – Managers have been changed and performance has improved.
- Specific Investment Criteria – This can be tightened up in the Investment Policy Statement.
- Rebalancing – This tool is used to limit risk in portfolio. Definitely in use with high or low exposures.
- Increase small cap exposure – They are deliberately under weight; different providers use different numbers for that, which is part of the Tactical Asset Allocation.

DIEM Mr. Diem added that if there are any sample investment policy statements that he could provide, they work with many other municipalities and endowment funds.

DVORYAK Chairman Dvoryak thanked him for his report.

B. Action on Minutes

1. Fire/Police Joint Pension Meeting of May 14, 2009

MR. GURRERI MOVED TO APPROVE MINUTES OF THE FIRE/POLICE JOINT PENSION MEETING OF MAY 14, 2009. MR. BISHOP WAS SECOND. MOTION UNANIMOUSLY CARRIED.

D. Correspondence and Other Communications

2. Fire Pension Reports:

- a. Acknowledge Receipt of Payroll Pension Contribution Reconciliation Report.**
- b. Acknowledge Receipt of Fulton Financial Trust Report for May 2009**
- c. Acknowledge Receipt of Fulton Financial Trust Report for June 2009**
- d. Acknowledge Receipt of Fulton Financial Trust Report for July 2009**

MR. BISHOP MOVED TO ACKNOWLEDGE RECEIPT OF FIRE PENSION REPORTS, ITEMS A THROUGH D. MR. MOUNT WAS SECOND. MOTION UNANIMOUSLY CARRIED.

F. Old Business:

1. Discussion of Police and Fire Audit Reports Received from Conrad Siegel Dated August 13, 2009.

DVORYAK Chairman Dvoryak recapped some of the comments. Feedback was that both managers are doing a decent job; that all the fees are in line with expectations; FNB's approach appeared to be more of a market timing approach. The Investment Policy Statement needs revision. Police and Fire policies are different in terms of their objectives. Their feeling also is that the plans should be brought together and rather than having two separate investment managers that they should be brought together under one manager. Their feeling was that with two separate managers market returns are being achieved whereas with one manager the opportunity would be there to outperform the market.

TROTT Officer Trott asked what the difference would be between police and fire and why they would bring the plans together.

DVORYAK Chairman Dvoryak responded that the fire portfolio currently is under only one manager.

BISHOP Mr. Bishop added that it is a much smaller fund and only one manager is used. FNB is not involved with the fire.

BISHOP Mr. Bishop posed a question in that if the observation is that there is a potential for greater returns with only one manager, would there be any risk associated with that.

DVORYAK Chairman Dvoryak responded that from his perspective the only risk would be putting everything in one place with one manager. It could be better but it could be worse. One additional advantage discussed in terms of bringing the plans together was lower fees. Putting two funds together with the assets that are there, the fees for the funds would be lower.

BISHOP Mr. Bishop asked whether that was ever quantified.

HOLMAN Mr. Holman responded that it was approximately \$10,000 to \$14,000.

HOSE Ms. Hose stated that they could certainly show them where the fees would be if it was a full combined account. With a tiered schedule the larger the plan the market value decreases fees. She stated that when Fulton first took over the Police Pension Fund, the reason that two fund managers were selected was that Fulton was purely a growth manager, whereas Mr. Paese's firm, Legacy at that time, was purely value. Fulton had been given the task to manage growth; they were given the task to manage value. But in time they added slight exposure to that value in Fulton's portfolio; they've added slight exposure of growth to their portfolio. Conrad Siegel mentioned there probably had been some duplication. For example, they both have Harbor International Fund, so there would be some

solidification. Certainly it does make sense to have one fund manager to see the overall total portfolio and reduce fees as well.

DVORYAK Chairman Dvoryak indicated that putting together a tighter Investment Policy Statement would reduce some of the activities that are currently outside ranges and the board would be better able to manage the results. Right now the bands in the existing policy are so wide that total discretion of the fund was given to each manager.

HOLMAN Mr. Holman stated that the first action should be bringing the Investment Policy Statement up to date.

GURRERI Mr. Gurreri noted that there was some information from other townships available.

HOLMAN Mr. Holman commented that they had received sample investment policies from Conrad Siegel, both drafts and model policies to work from. They are willing to work with each board to revise and finalize the policies. They would probably involve Fulton and F.N.B. as well.

DVORYAK Chairman Dvoryak noted that he, Mr. Schenck and Mr. Gurreri had been very impressed with what Conrad Siegel provided. Their presentation had been very thorough.

BISHOP Mr. Bishop asked if he was referring to the Investment Policy or just in general.

DVORYAK Chairman Dvoryak responded that he was referring to both pieces. They did a very nice job on the general piece analyzing both managers, the performance and the fees, etc. They also did a very nice job in terms of selling not only the need for a better investment policy, but also in terms of utilizing them to do that service for the board. One of the benefits of Conrad Siegel, since they do the actuarial calculations there's an assumption built into the police pension returns that's different than the fire pension, but when they make those actuarial assumptions they're assuming a certain model portfolio to do that so it might make sense to have them design that model portfolio in the Investment Policy Statement in terms of asset classes, ranges within which the managers can operate, within those asset classes.

GURRERI Mr. Gurreri thought it was interesting that Stefan Troy from Conrad Siegel had never been asked to do that but he could do so.

HOLMAN Mr. Holman responded that he had heard the comment that they are more than willing to work with the board on that and the cost would be very reasonable. They had not yet submitted a proposal.

DVORYAK Chairman Dvoryak indicated that the next logical step would be to design the Investment Policy Statement and have someone such as a Conrad Siegel provide that service.

BISHOP Mr. Bishop asked whether there would be any value in seeking a proposal from others to have a comparison.

HOLMAN Mr. Holman responded that he had reached out to eight different groups for the independent audit, and the only response he got was from Conrad Siegel.

G. New Business:

There was no New Business for discussion.

H. Proposed Committee Motions:

- 1. Authorize Acceptance of Springettsbury Township Police Pension, Death and Disability Pension Fund Audit Report for F.N.B., from Conrad Siegel Investment Advisors dated August 13, 2009.**
- 2. Authorize Acceptance of Springettsbury Township Police Pension, Death and Disability Pension Fund Audit Report for Fulton Financial from Conrad Siegel Investment Advisors Dated August 13, 2009.**
- 3. Authorize Acceptance of Springettsbury Township Police Pension, Death and Disability Pension Fund Combined Audit Report from Conrad Siegel Investment Advisors Dated August 13, 2009.**
- 4. Authorize Acceptance of Springettsbury Township Paid Firemen Pension Plan Audit Report from Conrad Siegel Investment Advisors Dated August 13, 2009.**

MR. GURRERI MOVED TO APPROVE PROPOSED COMMITTEE MOTIONS 1 THROUGH 4 AS STATED. MR. BISHOP WAS SECOND. MOTION UNANIMOUSLY CARRIED.

5. Authorization to Utilize the Services of Conrad Siegel Investment Advisors to Update Police and Fire Investment Policies.

HOLMAN Mr. Holman requested that, when the quote is received and it is sent to the members of the board, there could be a consensus. If there is a consensus from the board the process could begin. If not, it will be another quarter getting this process going. The investment strategy really needs work.

Consensus of the board was that Manager Holman could move forward and get the process started once the quote is received and provided to the board for review.

6. Approval of Pension Payment Calculation for Retired Firefighter James Kimes.

**SPRINGETTSBURY TOWNSHIP
POLICE AND FIRE PENSION BOARD MEETING**

**AUGUST 27, 2009
APPROVED**

DVORYAK Chairman Dvoryak asked whether the pension calculation had been presented by Conrad Siegel.

HOLMAN Mr. Holman responded that it had been reviewed and finalized by Conrad Siegel as shown on the benefit computation worksheet. Mr. Kimes had retired some time ago, and now had come to the point where he can draw on his retirement.

MR. GURRERI MOVED TO APPROVE PENSION PAYMENT FOR RETIRED FIREFIGHTER JAMES KIMES. MR. BISHOP WAS SECOND. MOTION UNANIMOUSLY CARRIED.

I. ADJOURNMENT

DVORYAK Chairman Dvoryak adjourned the meeting at 6:40 p.m.

Respectfully submitted,

John Holman
Secretary

ja

**SPRINGETTSBURY TOWNSHIP
POLICE/FIRE PENSION JOINT BOARD MEETING**

**AUGUST 18, 2009
APPROVED**

Fire/Police Pension Boards of Springettsbury Township held a joint work session on Thursday, August 18, 2009, at 6:00 p.m. at the Township Offices located at 1501 Mt. Zion Road, York, PA.

MEMBERS IN

ATTENDANCE: George Dvoryak, Chairman
Nick Gurreri, Vice Chairman
Bill Schenck
Don Bishop

MEMBERS NOT

IN ATTENDANCE: Mike Bowman

ALSO IN

ATTENDANCE: John Holman, Township Manager/Secretary
Charles Rausch, Solicitor
Christopher Ford, Police Department
Scott Altland, Police Department
Rob Carpenter, Fire Department
George Mount, Fire Department
Jean Abreght, Stenographer

A. Call to Order

DVORYAK Chairman George Dvoryak called the meeting to order at 6:00 p.m. He welcomed the members. He asked Mr. Holman whether a Quorum was present.

HOLMAN Mr. Holman indicated a Quorum was present.

DVORYAK Chairman Dvoryak introduced Stefan Troy of Conrad Siegel, for a presentation of the police pension project.

Police Pension Review

TROY Mr. Troy provided a bit of personal history of his involvement as a financial consultant. He had joined Conrad Siegel with a like investment philosophy several years ago. He explained that he would concentrate on the reports entitled, "Police Combined" and "Paid Fire." He stated that he would refer to the reports to clear up some of the more complicated issues of the audit. He began with a review of the Police Combined report. A summary of the main points of his overall observations follow:

- Two different investment managers with different philosophies.
- Combination of the plan will lose effective tilts by bringing one large cap manager and one mid-growth manager.
- Reconciliation should be done on annual basis; pension liabilities and rate of return based on total plan.
- Plan is audited on annual basis with evaluation every two years.

- Both investment advisors do a good job; fees for the services are not excessive.
- FNB operates with a lot more timing; difficult on a consistent basis; called tactical allocation; another way is called strategic asset allocation.
- Investment Policy Statement needs work. Firemen's plan Investment Policy Statement is different than Police Investment Policy Statement. Policy statements generally are consistent.

TROY Mr. Troy reviewed the presentation booklets provided to the Board. He provided insight into the different asset classes within the fund. Some of his main findings are summarized.

- Important to be invested in different asset classes; nine different types in the U. S. Stock Market.
- Passively managed funds somewhat outperform actively managed funds; Fulton picks better active funds than FNB does. FNB has a better asset mix. Several good things going for the funds.
- Review of funds invested indicated that Fulton did more shifting against passive towards active and returns more superior. Fund fees are costing more but returns are more worthwhile.

FORD Officer Ford commented that from the Police Department perspective within the last several years the pension fund had not performed nearly as well what the intention was for having two investment firms managing the funds.

TROY Mr. Troy responded that he does recommend one fund manager; however, the five-year study incorporates the second worst stock market collapse, which has had a huge impact. However, the returns realized are not bad. Neither fund manager has done a bad job. It gets complicated in how they get a relatively good job and still get returns that are inadequate. Each manager cannot escape the market environment. There are two different management philosophies with Fulton basically doing a total mutual fund large cap fund; FNB doesn't pick mutual funds, but adds market timing to its philosophy. His general conclusion is that both fund managers were above the median.

DVORYAK Chairman Dvoryak noted that both managers must operate through the Investment Policy Statement.

HOLMAN Mr. Holman added that Fulton is the administrative manager and issues and runs the retirement checks through their accounts. All the health benefit payments come out of the Fulton portion. Fulton halfway through the year and at end of the year will bill FNB for a portion of that and it is transferred back to Fulton.

GURRERI Mr. Gurreri observed that compared to others, they haven't lost near as much as some other funds.

- FORD** Officer Ford noted that sitting on the Pension Board and representing the Police Department, hearing about losses every quarter hurts. He stated that he was happy to be present today to see what can be done to better the investment strategy if that is possible.
- SCHENCK** Mr. Schenck asked whether there is enough money in the funds to be splitting it into two funds and be effective. He asked whether that hurts or helps the return.
- TROY** Mr. Troy responded by referring to the presentation report, which showed Springettsbury's Combined Total Plan. When there are two different and distinct managers, and when it is all combined, the fund really does get good market returns. His recommendation is that the only time there should be two managers is when a fixed income specialist could be hired, along with an equity specialist and divide the money in that way.
- DVORYAK** Chairman Dvoryak raised a question based on the returns whether there is added risk for the little return.
- TROY** Mr. Troy concurred but indicated that he would provide a tool to minimize the risk. He referred to the Investment Policy Statement. He noted several items that should be revised.
- Both Police and Fire Pension Investment Policy Statements should be consistent.
 - Purpose of investments, investment objectives, plan objectives and definition of terms need work. Roles and responsibilities are not clearly defined. Need to set apart who are the sponsors, who is the custodian, who is the investment advisor.
 - Too much latitude.
 - Violations must be removed/restated.
 - International percentage of 5% had been violated by FNB twice.
 - Low International every year; Fulton has more than that – number needs adjustment.
 - Prohibited investments – FNB has Fund of Canada, a commodity fund, invests in gold, not a derivative, but an exception needs to be made for that. Should include all kinds of commodities.
 - Selection of Investments - No definitive set of criteria that investment managers have to meet to prove they are doing a good job.
 - Board has no way of determining good or bad investment; only benchmark performance. No peer group averages so that should be added.
- TROY** Mr. Troy indicated that some rebalancing should be done on a quarterly basis. A movement of more than 5% would trigger that action. If they stay within the band there is no need for any action. The current process is different but very adequate when a report is made quarterly.

DVORYAK Chairman Dvoryak commented that the biggest problem he sees with the current process is the benchmark that they measure themselves against as it is different for each of them and is always changing.

TROY Mr. Troy responded that the mutual fund should be identified with the indexes and placed within the Investment Policy Statement. As long as the mutual fund isn't removed, the benchmark should never be changed. He added that the whole portfolio needed a different type of benchmark and what they would suggest there would to simply take the current asset allocation mix and run it against that. Not just fixed income and stocks but large cap stocks, mid cap stocks, small cap stocks, and international stocks. Whatever percentage of the allocations are there and bonds, run it against the aggregate and indexes that represent the others. Keep that consistent no matter where they move those numbers reflect the numbers in your Investment Policy Statement. If they stray, they stray against or with the comparison.

FORD Officer Ford asked who is responsible for the enforcement of the policy.

SCHENCK Mr. Schenck responded that the current Investment Policy is bland and short, and the enforcement lies basically within the asset allocation.

HOLMAN Mr. Holman added that one of the goals of the study was to address getting a sample investment policy, but one with much more detailed than what is current. In that way there could be a work session every so often to determine the results of the performance.

FORD Officer Ford stated that as far as the policy is concerned, it would be a good idea to update that, sit down in a work session to manage and review what the investment managers are doing. If there are no checks and balances to what they are doing, a policy is no good.

DVORYAK Chairman Dvoryak commented that was the most beneficial part of this whole consulting arrangement is to develop a policy where the Pension Board is controlling the managers instead of them coming in and giving what they are reporting.

HOLMAN Mr. Holman noted that there may need to be an RFP and a search for a single fund manager.

GURRERI Mr. Gurreri commented that he liked the fact that they send the information out ahead of time so that the board can review it. He found it very helpful.

RAUSCH Solicitor Rausch noted that he was not totally familiar with the defined benefit. He noted that as an individual would be nearing retirement, there would be a need to be more conservative in the contribution.

- HOLMAN** Mr. Holman responded that in the defined benefit plan the individual is guaranteed a specific amount of money.
- FORD** Officer Ford stated that reading the actuarial study had helped him clarify and understand that even though it is stated that it is under-funded, it is not “in the hole.”
- RAUSCH** Solicitor Rausch asked whether the earnings lessen the contribution.
- HOLMAN** Mr. Holman responded that the earnings do lessen the contribution that has to be made into the fund on an annual basis. If the return on investment equals what the plan is anticipating, when this year’s evaluation is made, it will be based on December 31, 2009. The 2010 or 2011 contribution number is going to be much higher.
- RAUSCH** Solicitor Rausch noted that the interest has little effect on the individual retiree.
- HOLMAN** Mr. Holman explained that it is a function of what the contribution is that has to be made on both. If no contribution has to be made everyone saves money.
- TROY** Mr. Troy added that it benefits the taxpayer. If there could be a consistent 100% funding it would benefit everyone.
- FORD** Officer Ford asked what the projected MMO was for last year.
- HOLMAN** Mr. Holman responded that it was approximately \$440,000 to the Police Pension Fund.
- FORD** Officer Ford noted that the obligation from the police officers was 4% last year; roughly \$100,000.
- HOLMAN** Mr. Holman indicated that there are many assumptions that lead into the fund. The two-year study actually covers 14 years to be sure there is enough money to pay everyone. The township funded this at 100%, and the requirement is always deposited.
- FORD** Officer Ford noted that the last actuarial study called for 2018 to have the potential to be solvent. The challenge is to manage the fund, and that is the competitiveness for the two fund managers.
- TROY** Mr. Troy noted that was why the discussion was positive and indicated that the boards are not really happy with the leeway that the investment managers have. A policy is needed with the ability to dictate to the fund managers rather than the other way around.

HOLMAN Mr. Holman noted that the police assumption had been 7.5% return on investment on an annualized basis and for the fire it was 6.5% to be actuarially sound.

TROY Mr. Troy indicated that rebalancing the fund would help. He continued with his presentation and discussed investor termination and coordination with the plan documents, roles and responsibilities. Under equity needs to be redefined or deleted in such a way that it does not violate the policy. Some statements need to be changed or exceptions need to be noted with a motion. He stated that there is no specific investment criteria to manage how mutual funds are performing. Some decisions need to be made as to whether certain investments are acceptable. Separate investment criteria should be maintained to monitor individual common stock holdings. The benchmarks should not be changing, and if they are, the board needed to know the reasons. A section should be included for investor termination.

SCHENCK Mr. Schenck indicated that the Investment Policy Statement is moving toward a level of sophistication where some outside assistance would be required. He asked whether Conrad Siegel would be able to assist in writing the new policy.

TROY Mr. Troy responded that they would certainly review it.

TROY Mr. Troy called attention to the actual mutual fund performance of the combined portfolios. He had combined the slightly different asset allocation mixes and compared them with the performance of all the mutual funds. They had broken it out for Fulton and for FNB. A review of the overall annual performance, it appeared that FNB had better performance over most of the years, with the exception of 2007 where Fulton did.

FORD Officer Ford asked Mr. Holman who had helped draft the current Investment Policy Statement.

HOLMAN Mr. Holman responded that Tom Zimmerman had assisted. During the creation of the firemen's plan, both Fulton Financial and Tom Zimmerman had collaborated on the policy. The policy statement for the police fund had been created about seven years ago.

TROY Mr. Troy continued with his presentation with regard to the fees, which he determined were very reasonable. He itemized where the fees came from and how they had been broken down. He stated that the fee schedules are very close with very little difference for both managers. He noted some general recommendations, summarized:

- Real estate is a missing asset class. Consider adding that.
- Investment Policy Statement – establish a watch list for funds that do not meet the investment criteria.
- Add Harbor International and Vance funds to the watch list; possibly liquidate and invest in a mutual fund.

- Add Conestoga small cap to watch list.
- Add more diversification in income funds.
- FNB recommendations: T. Rowe Price add to watch list; sell Dodge & Cox and reinvest in a Federated Strategic Value fund.
- Management tenure is 3.4 years; recommend at least five years to be more meaningful.
- Add more individual corporate bonds.

SCHENCK Mr. Schenck commented on Mr. Troy's recommendations. He stated that when the Investment Policy Statement strategy is created, the test would be the expectation that the advisors report the performance compared to the Policy.

TROY Mr. Troy responded that he was correct. They would disclose anything lower than the criteria established. He noted that would conclude the Police Pension presentation. The paid Firemen Pension presentation will be very similar within the Fulton's independent report.

FORD Officer Ford asked when and/or where and how will the recommendations be presented. He noted a scheduled meeting in the following week. He asked for a baseline and some guidance as to what the recommendations would be.

DVORYAK Chairman Dvoryak commented that it would be appropriate to ask any question that was brought up in order to hear a response. He did not want to discuss anything further until the Investment Policy Statement was designed, which will be the tool for management in the future.

FORD Officer Ford stated that he would not specifically state what to do at this point, but only ask why certain items are not in accordance with the current policy.

DVORYAK Chairman Dvoryak responded that it was a fair question to ask.

Firemen's Pension Review

TROY Mr. Troy continued with the presentation of the Firemen's Pension Fund, which he indicated was somewhat more fixed income. Five year averages and trends are up, and a large part was the fixed income retirement fund. He noted that the Investment Policy Statement is slightly different but generally has the same holes in it and the recommendations would be the same: Roles and responsibilities are not clearly defined; prohibited investments; exclude securities lending and use of derivatives; no specific investment criteria which monitor mutual funds in the plan; need different and specific investment criteria; some method of rebalancing is a necessity; add investment advisor termination. Mr. Troy noted that the fees are reasonable for a fund of this size. The fee percentage is slightly higher, but there are half the assets of the police plan. Investment guidelines should be reviewed and communicated by the investment managers. Management tenure, again, should be of a duration of five years or more. Additional specific

recommendations: Revise the Investment Policy Statement; establish a watch list; add real estate; add more diversification, define roles and rebalancing.

HOLMAN Mr. Holman noted that overall the fund managers had done a better than average job. The board is looking at ways to improve, and one way will be to update the Investment Policy Statement.

DVORYAK Chairman Dvoryak asked for Mr. Troy's top two or three reasons why the board should merge everything under one fund manager.

TROY Mr. Troy responded one reason would be for better fees. Currently the funds are getting market returns and adequate funding. Have someone run the market funds. Review the market timing.

HOLMAN Mr. Holman noted that by improving the investment plan the exposure can be better controlled because there would only be the need for one fund manager.

TROY Mr. Troy added that the Investment Policy Statement will determine what is required and, therefore, there would be no need for two investment managers.

DVORYAK Chairman Dvoryak asked what criteria could be used to determine which of the two existing fund managers to choose since they are both doing a fine job but just taking different approaches to it as the policy allows them to do that.

TROY Mr. Troy responded that the board would be free to discuss it with Conrad Siegel. He posed some considerations: FNB would have to give up a lot of the market timing; Fulton would have to agree to move down in their cap size. Either would be appropriate.

SCHENCK Mr. Schenck questioned the fact that Fulton writes checks as the administrator. He wondered how that would function.

HOLMAN Mr. Holman responded that Conrad Siegel would do the reviews of what needed to be paid and what checks needed to be issued.

CARPENTER Mr. Carpenter asked whether Fulton would be approached with questions on the plan before the quarterly evaluation.

DVORYAK Mr. Dvoryak responded that it would be appropriate to ask any performance question. Anything that alludes to changing the Investment Policy would not be appropriate.

HOLMAN Mr. Holman added that the full board would determine whether to rewrite the investment policy, and how and who will assist that project. Following that, if necessary, a Request for Proposals would be created.

**SPRINGETTSBURY TOWNSHIP
POLICE/FIRE PENSION JOINT BOARD MEETING**

**AUGUST 18, 2009
APPROVED**

CARPENTER Mr. Carpenter commented that there would be two separate investment policies. There are two separate boards with potential differences of opinion.

SCHENCK Mr. Schenck noted that it would probably have to be a little different because the expected returns are different.

DVORYAK Chairman Dvoryak stated that there is a lot to think about and questions could be submitted.

HOLMAN Mr. Holman noted that a combined meeting would be scheduled from 5 p.m. to 6:45 p.m. on August 27, 2009.

SCHENCK Mr. Schenck noted that he had been very pleased with the Conrad Siegel presentation.

B. Adjournment

DVORYAK Chairman Dvoryak adjourned the meeting at 7 p.m.

Respectfully submitted,

John Holman
Secretary

ja

**SPRINGETTSBURY TOWNSHIP
FIRE/POLICE PENSION BOARD
JOINT MEETING
May 14, 2009
6:00 P.M.**

- A. Call to Order – The Chairman calls the meeting to order. A roll is conducted to determine if a quorum is present.

- B. Action on Minutes
 - 1. February 12, 2009 Fire Pension Board Meeting
 - 2. February 12, 2009 Police Pension Board Meeting

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

- D. Correspondence and Other Communications
 - 1. Acknowledge receipt of payroll pension contribution reconciliation report.

- E. Proposal from Financial Advisors
 - 1. Presentation of Proposal for Financial Review of Paid Firemen and Police Pension, Death and Disability Funds.
 - i) Tara L. Mashack-Behney, Conrad Siegel Actuaries.

- F. Committee Motions

- G. Adjournment

**SPRINGETTSBURY TOWNSHIP
POLICE PENSION BOARD**

**FEBRUARY 12, 2009
APPROVED**

The Police Pension Board of Springettsbury Township held a meeting on Thursday, February 12, 2009, at 5:00 p.m. at the Township Offices located at 1501 Mt. Zion Road, York, PA.

MEMBERS IN

ATTENDANCE: George Dvoryak, Chairman
Don Bishop
Mike Bowman
Bill Schenck (present at 5:30 p.m.)

MEMBERS NOT

IN ATTENANCE: Nick Gurreri, Vice Chairman

ALSO IN

ATTENDANCE: John Holman, Township Manager/Secretary
Christopher Ford, Police Department Representative
Joe Paese, F.N.B. Wealth Management
Richard Diem, Fulton Financial
Annette Hose, Fulton Financial
Jean Abreght, Stenographer

A. Call to Order

DVORYAK Chairman George Dvoryak called the meeting to order at 5 p.m. He welcomed the attendees. He asked Mr. Holman whether a Quorum was present.

HOLMAN Mr. Holman responded that a Quorum was present.

B. Action on Minutes

- 1. November 5, 2008 Police Pension Board Meeting**
- 2. January 5, 2009 Reorganization Meeting Minutes**

MR. BISHOP MOVED TO ACCEPT THE MINUTES AS PRESENTED. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

C. Public Comment

There were no public comments.

D. Correspondence and Other Communications

- 1. Acknowledge Receipt of Fulton Trust Company Report of October 2008**
- 2. Acknowledge Receipt of Fulton Trust Company Report of November 2008**
- 3. Acknowledge Receipt of Fulton Trust Company Report of December 2008**

- 4. Acknowledge Receipt of Fulton Trust Company Corporate Retirement Fixed Income and Retirement Common Stock Fund Reports for the Fiscal Year Ending June 2008.**
- 5. Acknowledge Receipt of F.N.B. Wealth Management Report for October 2008**
- 6. Acknowledge Receipt of F.N.B. Wealth Management Report for November 2008.**
- 7. Acknowledge Receipt of F.N.B. Wealth Management Report for December 2008.**
- 8. Acknowledge Receipt of Payroll Contribution Reconciliation Report.**

MR. BISHOP MOVED TO ACKNOWLEDGE THE CORRESPONDENCE AND OTHER COMMUNICATIONS, ITEMS D 1 THROUGH 8. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

E. Reports from Financial Advisors

1. F.N.B. Wealth Management

PAESE

Mr. Paese provided several supplements to his written report. He began his presentation with a summary of the economic situation. He indicated that the stimulus package had not been warmly received, which was indicated by the volatility in the stock market. It had been a very difficult fourth quarter and no matter whether funds were in the equity market or the fixed market, there was nowhere to hide. The main points of his report are summarized.

- Interest rates are very low and it is anticipated they will continue to drop.
- Oil prices down to about \$30.00 a barrel.
- Retail sales results were fairly good, which was unexpected.
- Key economic elements: Unemployment - more deterioration is anticipated;
- Housing beginning to level; Auto industry – units again leveling.
- Investment perspective – Underweighted equities; cash position is fair. Will begin piecing cash into the equity market on the large cap side. Cash is at about 1 to 1.5%. Strong balance sheets will begin to pay 3 to 6% dividend.
- Bond market – not much value at this time but dividend flow will come off bond portfolio.
- Corporates were hit hard creating underperformance in the bond portfolio. Some better pricing seen; currently at 54% as of 12/31/08. One piece was called. Will begin moving out of cash into equities.
- Year-to-date indices – U. S. government resulted in 6% high yield, down 26. Short money was anywhere from 1.5% to 2.0%.
- Equities – Being underweight helped on an absolute basis; not on a relative basis; down 20%.
- Transaction Summary – Market values at beginning of quarter was \$4,394,000 minus fees, unrealized gains and losses, cash flow. At the end of the quarter the result was at \$4,103,265.
- Performance snapshot as of 2/9/09 – Cash – slightly short of 30%; Fixed at 41%; Equities were about 30%.
- Strategy at this time is to buy strong companies at discounted price and get dividend flow.

- Mutual Fund – Some performed well including Harbor small cap side, Conestoga, Goldman Sachs madcap value. On a relative basis they are matching up well. Dodge & Cox did not do well.
- Individual equities – Moving into stocks at about 100% with good price and good dividend.
- Performance – Down 6.5% for the quarter versus blended benchmark of 5.9%; cash .4% versus \$.1; Fixed 3.3% versus 4.8%. Equities 21.5% versus -.22%.
- 12-month number was 13.4% versus the benchmark at 14.1%. Being underweighted helped over the 12-month period.
- Fixed portfolio at 12/31/08 was 54% prior to some calls in January.

Mr. Paese provided a handout revealing the January figures. The S&P was down 8.5% in January. Account was down 2.4% versus the benchmark down 2.7%. The three-month number was pretty strong against the benchmarks, down 10% on the equity side versus 14%. He provided a spreadsheet with names they are putting into play.

BOWMAN Mr. Bowman asked how he would determine whether corporate dividends are consistent.

PAESE Mr. Paese responded that most of the companies are dividend producing. They will attempt to buy into companies that will hold that dividend. They will review balance sheets, look at heavy debt, tight credit and value. They will review the sector allocation, such as healthcare versus technology versus financials. Quality and dividends are important.

DVORYAK Chairman Dvoryak noted that coming through a period like this, he reviews and reflects in terms of what lessons were learned during the period. He had listened to Mr. Paese's report at this fund's results and other organizations, foundations and endowment funds. He noted that it seemed that everyone preaches diversification. However, the bottom line is that diversification was exactly what failed over the last year. He heard Mr. Paese say that the only safe haven would have been in U. S. Treasuries. However, no worthy investment manager will advise anyone to go 100% into U. S. Treasuries.

PAESE Mr. Paese stated that the problem with dealing with foundation pension plans versus individual plans involve taking the position of dealing with all cash. If the board took that kind of position with money managers, they would have to work inside investment parameters. He agreed that 2008 was chaotic with the bursting of the tech bubble, the credit issue and the corporate and municipal worlds. There were a few things done right by pushing the cash side, going out of policy by going under the 35% bottom. That was market driven.

DVORYAK Chairman Dvoryak asked what the timeline would be for getting the equity back up to 35%.

PAESE Mr. Paese responded that it should be at 40% within the next week or two.

2. Fulton Financial

HOSE Annette Hose, Fulton Financial, presented the accounting portion of the report from October 1, 2008 to December 31, 2008. She reported the Market Value as of October 1, 2008 was \$4,084,438.56. Receipts and Contributions were \$474,384, including the MMO received in October, \$21,058.54 in Employee Contributions. Investment Income for the quarter was \$22,134.09. Unrealized Gain was \$322,520.94 for the quarter. Total Disbursements were \$146,212, which included pension payments and health insurance premium payments for some of the retirees. Total Expenses were \$9,659.93 including the management fee and the actuarial fee paid to Conrad Siegel. Market Value of the portfolio as of year end December 31, 2008 at \$4,123,622.32

DIEM Richard Diem, Fulton Financial presented several charts in addition to the written report, one called the channel chart, which graphs the S&P 500 or the stock markets since 1925 through 2008. The chart showed the tech bubble of 2000, which became overvalued in the market. There was a big fall of about 50% between 2001 and 2002 and finally the big drop off last fall. He thought the chart was interesting because it revealed that all is within normal valuations of the market. He did comment that a lot of damage had been done to the market, which is off 50% from its highs. In the future it would depend on earnings. Unlike other recessions the Federal Reserve had typically raised rates to slow the economy down. However, the FRB had cut rates to zero to ¼% because people are de-leveraging, not borrowing, not spending. Mr. Diem indicated that there could be extreme unemployment for a while, but that will begin to change. He was unsure how much the government could do to reverse the whole process.

Mr. Diem provided an additional charts reviewing performance of the market over the last 80 years. He noted that stocks over time will vastly outperform other asset categories. Having the right allocation is critical. Bonds at 5.5% are another factor, and in order to target the actuarial rate, there must be something in equities to grow the portfolio. Bonds will be the anchor.

Mr. Diem projected that the markets will return and do well; however, their position is a reluctance to add anything to equities. They will hold any available cash, not sell bonds or do any rebalancing at this time.

Mr. Diem stated that the current allocation is 41% equities, 57% in fixed income, 2.05% cash. Target for the portfolio is 50%. Money market does not yield much and is only 35 basis points or 1/3 of a percent return which is the yield for Treasuries due to the FRB cutting rates to zero to ¼%.

Mr. Diem reported on the Retirement Fixed Income in the portfolio, which has about 75 different bonds. It is ¾ in AAA rated securities and ¼ in AA. It is ½ in

agency bonds with a better yield than Treasuries and 1/3 in corporate bonds with a pretty high yield. The overall yield for the portfolio is 4.66% compared to a 10-year Treasury of 2.85%.

Mr. Diem reported that going forward they will outsource the management of these funds to Federated out of Pittsburgh. It will actually be a mutual fund in the account, Federated Total Return Bond Fund. At that time Fulton will want to present some additional ideas to the board. By partnering with Federated costs can be cut and there will be a more customized portfolio. The Equities are at 41% in the tactical allocation. They are overweight in large cap stocks. Retirement common stock fund is at 36% of the portfolio. The MFS Value Fund is at 30%. Exposures in Eaton Vance Tax Managed Emergency Market is at 1.5%, Harbor International is at 17%, Loomis Sayles is at 5%, and Principal mid cap is at 10%. Performance in the account was relatively good for the quarter. It was down 7.71% with a benchmark down 8.78%. They did better than the benchmark due to being underweight in equities, 41% versus 50%. All the mutual funds and equity funds outperformed their benchmarks except for the Eaton Vance International at 20% dragged down the performance. Fixed Income Performance was up 5.44% versus the Barclay index at 4.84%. For the one-year number, the fund is underneath the benchmark at 17.19% versus 16.12% due to the international exposure in the equity funds. Also the bond fund underperformed at up only 4.06% for the year versus 5.08%. The average bond fund, according to Morningstar, was down 4.7% so being up 4% is better. It indicates the management is in about the top quartile of bond managers for the year. Three year numbers were .35% for the year for the portfolio versus negative benchmark of 1.52%. Five-year numbers revert to positive figures up 2.04% versus .95% per year at about 1.09% ahead per year. Since inception 3.16% versus 1.81%, so ahead of that benchmark about 1.35% per year.

Mr. Diem pointed out the fact sheets and Morningstar information sheets for details.

Mr. Diem commented on what asset class might have outperformed last year. Diversification had not served any purpose with all those categories down in unison. International did worse than domestic. Treasuries were one area that did well. In addition, one other area that did well was managed futures. The Rydex fund was one, which by the structure of the investment policy statement, could not be included. Consideration could be given for the future.

F. Old Business

1. Discussion of Investment Policy Review

DVORYAK Chairman Dvoryak asked Mr. Holman to provide information with regard to investment policy vendors.

HOLMAN Mr. Holman responded that they had contacted three different vendors. One responded that they no longer perform the function; another had not yet responded. He had a response from Conrad Siegel Investment Advisors. They do what they call their “spotlight review”, which reviews the investment performances and gives recommendations on how to update and change the investment plan. This is a program they run separate and distinct from the actuary. Mr. Holman had copies of the proposal for the board members but did not ask for any action this date. He and Mr. Dvoryak will meet with Conrad Siegel to review the proposal. This would include both the fire and police funds. He asked the board to review the proposals and respond to him with any questions, comments or other ideas. The goal is to update the investment plans for both the police and fire funds.

G. New business.

There was no new business for discussion.

H. Committee Motions

- 1. Acknowledge Distribution of Pension Funds in the Amount of \$36,467.53. Distribution made in accordance with Plan Requirements.**

MR. SCHENCK MOVED TO ACKNOWLEDGE DISTRIBUTION OF THE PENSION FUNDS IN THE AMOUNT OF \$36,467.53. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

I. Adjournment

DVORYAK Chairman Dvoryak adjourned the meeting at 5:50 p.m.

Respectfully submitted,

John Holman
Secretary

ja

**SPRINGETTSBURY TOWNSHIP
POLICE PENSION BOARD-ANNUAL REORGANIZATION**

**JANUARY 5, 2009
APPROVED**

The Police Pension Board of Springettsbury Township held a Reorganization Meeting on Monday, January 7, 2009 at 5:30 p.m. at the Township Offices located at 1501 Mt. Zion Road, York, PA.

MEMBERS

IN ATTENDANCE: George Dvoryak, Chairman
Mike Bowman, Vice Chairman
Nick Gurreri
Bill Schenck
Don Bishop

ALSO IN

ATTENDANCE: John Holman, Secretary
John Luciani, Civil Engineer
Dori Bowders, Manager of Administrative Operations
Betty Speicher, Director of Human Resources
Jean Abrecht, Stenographer

1. CALL TO ORDER

DVORYAK Acting Chairman George Dvoryak called the meeting to order at 5:30 p.m.

2. APPOINTMENT OF TOWNSHIP SUPERVISORS AS MEMBERS

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

MR. GURRERI MOVED TO APPOINT CURRENT MEMBERS BILL SCHENCK, DON BISHOP, GEORGE DVORYAK, NICK GURRERI AND MIKE BOWMAN. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

3. APPOINTMENT OF POLICE OFFICERS AS REPRESENTATIVES

A. Current Representatives: Patrolman Christopher Ford
Proposed: Patrolman Christopher Ford and Lieutenant David Trott

DVORYAK Mr. Dvoryak asked whether the officers had been contacted as to their willingness to serve.

HOLMAN Mr. Holman responded that the members of the Pension Fund had recommended Officers Ford and Trott. He added that under the rules of the Pension Fund, an individual simply must be a member of the Pension Fund in order to become a member of the Board.

MR. BOWMAN MOVED TO APPOINT POLICE OFFICERS PATROLMAN CHRISTOPHER FORD AND LIEUTENANT DAVID TROTT AS REPRESENTATIVES. MR. GURRERI WAS SECOND. MOTION UNANIMOUSLY CARRIED.

4. APPOINTMENT OF OFFICERS

- A. Current Chair: George Dvoryak
- B. Current Vice Chair: Nick Gurreri
- C. Current Secretary: John Holman

DVORYAK Mr. Dvoryak called for nominations for the office of Chairman.

MR. BOWMAN NOMINATED GEORGE DOVYAK. MR. SCHENCK WAS SECOND.

DVORYAK Mr. Dvoryak called for other nominations. Hearing none, the nominations were closed and he called for the vote.

NOMINATION UNANIMOUSLY CARRIED.

DVORYAK Chairman Dvoryak called for nominations for the office of Vice Chairman.

MR. GURRERI NOMINATED MIKE BOWMAN. MR. BISHOP WAS SECOND.

DVORYAK Chairman Dvoryak called for other nominations. Hearing none he called for the vote.

NOMINATION UNANIMOUSLY CARRIED.

DVORYAK Chairman Dvoryak called for nominations for the office of Secretary.

MR. BOWMAN MOVED TO APPOINT JOHN HOLMAN AS SECRETARY. MR. BISHOP WAS SECOND.

DVORYAK Chairman Dvoryak called for other nominations. Hearing none he called for the vote.

NOMINATION UNANIMOUSLY CARRIED.

5. OTHER ITEMS

- A. **Meeting Dates for 2009**
February 12, 2009 – 5:00 p.m.
May 14, 2009 – 5:00 p.m.

**SPRINGETTSBURY TOWNSHIP
POLICE PENSION BOARD-ANNUAL REORGANIZATION**

**JANUARY 5, 2009
APPROVED**

August 27, 2009 – 5:00 p.m.
November 6, 2009 – Noon

DVORYAK Chairman Dvoryak asked whether everyone had an opportunity to review the meeting dates. He asked Mr. Holman to explain the reason for the change in November.

HOLMAN Mr. Holman responded that an October meeting would be too early, and during November just prior to a Regular Board of Supervisors meeting conflicts with the presentation of the budget. However, a Noon meeting during November had worked very well.

MR. GURRERI MOVED TO APPROVE THE MEETING DATES FOR 2009 AS STATED ON THE AGENDA. MR. BOWMAN WAS SECOND. MOTION UNANIMOUSLY CARRIED.

6. ADJOURNMENT

DVORYAK Chairman Dvoryak adjourned the meeting at 5:35 p.m.

Respectfully submitted,

John J. Holman
Secretary

ja