

**YORK AREA UNITED FIRE AND RESCUE COMMISSION
PENSION BOARD MEETING**

**DECEMBER 18, 2012
APPROVED**

The York Area United Fire and Rescue Commission held its first Pension Board Meeting on Tuesday, December 18, 2012 at 6:30 p.m. at the Springettsbury Township Offices, 1501 Mt. Zion Road, York, PA.

MEMBERS IN

ATTENDANCE: Bill Schenck, Chairman
Austin Hunt, Vice Chairman
Don Bishop
George Mount, YAUFRR

MEMBERS NOT

IN ATTENDANCE: John Fullmer
Cara Beth Zortman
Richard Guyer, Spring Garden Township
George Dvoryak, Springettsbury Township

ALSO IN

ATTENDANCE: Greg Maust, Spring Garden Township Manager
Mike King, Acting Solicitor
Robert McCoy, YAUFRR Chief
John Woods, YAUFRR
Sandra Ratcliffe, YAUFRR
Jean Abrecht, Stenographer

1. CALL TO ORDER

A. Opening Ceremony

SCHENCK Acting Chairman Bill Schenck called the Fire Pension Board Meeting to order at 6:30 p.m. He suggested that the first order of business was to elect a Chairman, Vice Chairman and appoint a Secretary.

MR. HUNT NOMINATED BILL SCHENCK, CHAIRMAN, AUSTIN HUNT, VICE CHAIRMAN, AND CHIEF ROBERT MCCOY, SECRETARY OF THE YAUFRR PENSION BOARD. MOTION UNANIMOUSLY CARRIED.

SCHENCK Chairman Schenck announced that a Quorum was present.

2. ACTION ON MINUTES

There were no minutes for action.

3. PUBLIC COMMENT

There was no public comment.

4. CORRESPONDENCE AND OTHER COMMUNICATIONS

- A. Acknowledge Receipt of Fulton Financial Trust Report for November 2012.

MR. BISHOP MOVED TO ACKNOWLEDGE RECEIPT OF FULTON FINANCIAL TRUST REPORT FOR NOVEMBER 2012. MOTION UNANIMOUSLY CARRIED.

5. REPORTS FROM FINANCIAL ADVISORS

- A. Fulton Financial – Investment Presentation

SCHENCK Chairman Schenck introduced Annette Hose, Fulton Financial, who had been handling the fire pension plan for some time. He asked Ms. Hose to provide an overview of the services provided by Fulton along with the investment results to date.

HOSE Ms. Hose stated that Fulton Financial Advisors serve as Trustee to the fire pension plan, a plan that was created effective January 1, 2005. Previously it had been a Defined Contribution Plan, had been amended to be a Defined Benefit Plan as of January, 2005. At that time Fulton Financial Advisors had been hired to serve as Trustee to the plan where the investment managers were the custodians to collect contribution receipts, issue pension disbursements and manage the portfolio. Currently there are six pensioners who are being paid out of the pension plan. The plan itself is about \$3.5 million; receipts are about \$50,000 annually from firefighter contributions with disbursements of about \$150,000 annually in pension payments.

HUNT Mr. Hunt asked how it was offset.

HOSE Ms. Hose responded it was offset by the investment earnings. She added that there is an annual municipal obligation that has to be paid into the trust fund, which comes in typically about October. The \$50,000 annual firefighter contributions come through a specified percentage contributed on a per payroll basis. Quarterly transaction statements are provided listing receipts, disbursements, investment earnings and a recap in the assets in the plan. In addition, on a quarterly basis Fulton will present to the pension board an economic overview, a review of the portfolio. She asked the board for direction as to whether they would want to receive the quarterly transaction statements and whether the board would want a formal presentation quarterly, semi-annually or once a year.

KING Attorney King stated that the requirement is that the pension board meets annually. There is no requirement to meet more frequently, but that would be up to the board's discretion. He added that quarterly statements are a good idea whether or not the board meets quarterly.

SCHENCK Chairman Schenck commented that he was not certain that it is necessary to meet quarterly and that since this is a new entity, six months might be appropriate.

BISHOP Mr. Bishop commented that with the Springettsbury pension meetings quarterly might be too much. For this group since it is new, he would be more comfortable with a quarterly meeting for one year for understanding and continuity.

SCHENCK Chairman Schenck brought forward the matter of the Investment Policy Statement currently in place in Springettsbury. He stated it was way too restrictive, and this group needed to work on that and perhaps quarterly would be more appropriate.

HOSE Ms. Hose noted that they had begun with guidelines based on the actuarial assumption of the plan, 6%; investing the portfolio 60% fixed income, 40% equities with those parameters. The 2011 Investment Policy Statement was restrictive with very narrow requirements.

SCHENCK Chairman Schenck added that Fulton needed some guidance.

HOSE Ms. Hose stated that there definitely must be guidelines and that the pension board should adopt an Investment Policy Statement. She brought copies of the two prior policy statements. The initial one would suffice in that it defined the parameters for fixed income, parameters for equity and parameters of international. She agreed that meeting quarterly during the first year would be a good strategy and a meeting after the year-end numbers are finalized could be reviewed in February.

MCCOY Chief McCoy stated that as long as he would have the reports the week before to review he could get them in the packet by the Friday prior to the February meeting date.

KING Attorney King suggested the board set meeting dates for 2013.

MCCOY Chief McCoy indicated the first meeting would be February 19, 2013.

SCHENCK Chairman Schenck asked if the pension board must be a separate meeting.

- KING** Attorney King responded it is a separate entity and could follow or precede the regular board meeting.
- SCHENCK** Chairman Schenck asked Ms. Hose if she would send the board the two previous policy statements.
- HOSE** Ms. Hose responded that she would and would review the policy statement that had been adopted prior to 2011. She thought there had been three statements since the inception of the defined benefit pension plan.
- SCHENCK** Chairman Schenck asked whether there would be any statutory requirements that would need to be checked.
- HOSE** Ms. Hose noted that part of Fulton's role as Trustee and Investment Manager is to make sure that the investments are within the codes.
- KING** Attorney King added that would be their responsibility.
- BISHOP** Mr. Bishop thought there would be great value to having Ms. Hose review the first and second policies to make sure they still meet the codes. It would be good information to have.
- HOSE** Ms. Hose responded that she will do so and also provide copies before the February meeting to gather feedback.
- BISHOP** Mr. Bishop recommended that Ms. Hose follow the earlier policy statements rather than the one currently in place in Springettsbury.
- SCHENCK** Chairman Schenck indicated he was in complete agreement.
- BISHOP** Mr. Bishop commented that he thought there might be individuals who have no idea what is being discussed, and they need to get that information.
- SCHENCK** Chairman Schenck stated that it might be good to meet one-on-one with Chief McCoy or in a small group to provide all the background.
- HOSE** Ms. Hose commented on whether Conrad Siegel would be providing a new actuarial report. She thought there might be one coming out this year, and that may change the dynamics of the 60/40 guidelines.
- MCCOY** Chief McCoy stated he would check with Tom Zimmerman on the status.

SCHENCK Chairman Schenck asked Ms. Hose to provide the account summary of the portfolio.

HOSE Ms. Hose stated that the board would be provided a presentation packet prior to each board meeting. The particular report she presented was as of September 30, 2012, the last quarter. She provided the accounting for the plan. Tab II showed the Market Value as of July 1, 2012 as \$3,348,368.94. Receipts included employer and employee contributions of \$12,917.18. Investment Income for the quarter was \$14,623.79, and there were capital gains, realized and unrealized of \$115,656.99 for total receipts of \$143,197.96. Disbursements for the quarter for pension payments were \$35,697.78, health insurance payments of \$1,405.29 for total distribution of \$37,103.07. Expenses included a trustee/management fee of \$6,816.98. Total Disbursements were \$43,920.05. Market Value as of September 30, 2012 was \$3,447,646.85.

MCCOY Chief McCoy noted the fire alarm had sounded, and Mr. Mount was called away from the meeting. With his departure there was no Quorum present.

As a point of order, without a Quorum present, no formal action may be taken.

ADJOURNMENT

SCHENCK Chairman Schenck commented that all the actions necessary had been acted upon earlier during the meeting. He adjourned the business portion of the meeting at 6:55 p.m.

6. OLD BUSINESS

KING Attorney King noted that there would be no Old Business since this was the first meeting.

7. NEW BUSINESS

MCCOY Chief McCoy commented that the Investment Strategy would be handled in February.

8. COMMITTEE MOTIONS

There were no committee motions.

SCHENCK Chairman Schenck asked Ms. Hose to finish her briefing.

HOSE Ms. Hose reviewed the Summary of the portfolio as of September 30, 2012, a copy which all board members had received. She reviewed the actual investments, assets and historical return of the portfolio. She called attention to page 5 of Tab III which provided the Total Managed quarterly results for 3 months, year-to-date, 1, 3, 5, 7, and since inception. She reported that Elizabeth Peris is the Portfolio Manager for the YAUFRR Pension Plan and will be joining her for these meetings. She noted that they would proceed with a quarterly meeting, and to advise if there was any additional information the board wanted covered.

SCHENCK Chairman Schenck asked Attorney King if he was comfortable with the process.

KING Attorney King responded that he approved.

SCHENCK Chairman Schenck thanked Ms. Hose for her attendance and appreciated her reporting.

9. ADJOURNMENT

SCHENCK Chairman Schenck had officially adjourned the meeting at 6:55 p.m.

Respectfully submitted,

(Signature on file at YAYFR Headquarters)

Robert McCoy
Secretary

ja