

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

**MAY 19, 2020
APPROVED**

The York Area United Fire and Rescue Commission held a Fire Pension Board Meeting on Tuesday, May 19, 2020 at 6:45 p.m. by Zoom technology, York, Pennsylvania.

MEMBERS IN

ATTENDANCE: Austin Hunt, Chairman
Charles Wurster, Springettsbury Township
George Dvoryak, Springettsbury Township
Dan Rooney, Spring Garden Township
Lisa Wingert, Manchester Township
John Inch, Manchester Township
Les Rhoades, Fire Representative

ALSO IN

ATTENDANCE: Dan Hoff, Chief
Steve Hovis, Solicitor
Elizabeth Peris, Fulton Financial Advisors
Annette Hose, Fulton Financial Advisors
Don Bishop, Springettsbury Township (Alternate) in audience
Lisa Einsig, YAUFRR
Sue Sipe, Stenographer

1. CALL TO ORDER

HUNT Chairman Hunt called the Quarterly Fire Pension Board Meeting to order and certified that a quorum was present.

2. ACTION ON MINUTES

A. Approval of Minutes – February 18, 2020 – Pension Board Meeting

MR. WURSTER MOVED FOR APPROVAL OF MINUTES OF THE NOVEMBER 19, 2019 PENSION BOARD MEETING. MS. WINGERT WAS SECOND. BY UNANIMOUS ROLL CALL VOTE MESSRS. HUNT, DVORYAK, WURSTER, ROONEY, INCH, RHOADES AND MS. WINGERT MOTION CARRIED.

3. PUBLIC COMMENT

There were no public comments.

4. CORRESPONDENCE AND OTHER COMMUNICATIONS

- A. Acknowledge Receipt of Fulton Financial Trust Report for February 1, 2020 – February 29, 2020
- B. Acknowledge Receipt of Fulton Financial Trust Report for March 1, 2020 – March 31, 2020
- C. Acknowledge Receipt of Fulton Financial Trust Quarterly Report for January 1, 2020 – March 31, 2020

**MR. DVORYAK MOVED TO ACKNOWLEDGE RECEIPT OF THE REPORTS A
THROUGH C AS LISTED ON THE AGENDA. MR. RHOADES WAS SECOND. BY
UNANIMOUS ROLL CALL VOTE MESSRS. HUNT, DVORYAK, WURSTER, ROONEY,
INCH, RHOADES AND MS. WINGERT MOTION CARRIED.**

5. REPORTS FROM FINANCIAL ADVISORS

A. Fulton Financial – Investment Presentation

HOSE Annette Hose provided an update on what had transpired with the pension fund since the beginning of 2020. She indicated Ms. Peris would provide a synopsis of what the portfolio had done through this period. She noted they met with the subcommittee on May 5, 2020. She indicated the goal was to have a dialogue to the investment policy statement to determine how it correlates to the actuarial assumption. From that meeting they were tasked to run several different scenarios to provide analytics to show, based on the current policy and the target ranges that are listed on the policy, what the expected rate of returns would be. They were then tasked to make suggested changes to the policy in order to meet that 6½% actuarial assumption. A third scenario was determined as to what the policy would look like if the assumption was lowered to 6% vs. the 6½%. Ms. Hose indicated they provided reports to the committee today. The subcommittee will review the reports and determine next steps.

HUNT Mr. Hunt asked from the list of questions how the investment policy would compare with other similar pension fund policies.

HOSE Ms. Hose confirmed they did discuss it and determined the risk is such a broad range because investment policies are geared towards the demographics of the pensioners plan.

Ms. Hose pointed out Fulton Financial provides a half hour webinar every Friday at 4:15 p.m., on the updates of what has transpired in the market for the week. She indicated it reviews COVID details that have transpired for the week and then a recap of what is happening in the market. The invitations are sent weekly to Chief Hoff. She noted if anyone would like to receive the invitation directly, she will forward it.

HOFF Chief Hoff indicated he would be glad to forward the invitation to the Board Members.

HOSE Since it appeared Ms. Peris was unable to join the meeting, Ms. Hose provided the update, noting they started out the year at \$5.7 million. As of 3/31/2020 the portfolio dropped to approximately \$5 million. March 31, 2020 was the biggest drop in the market. The return of the portfolio was a negative 11% in turnover as of March 31, 2020. She noted it had inched back up and they have started to see a regain. The year-to-date of the portfolio may be down approximately 5%. Year-to-date the portfolio is at approximately \$3.4 Million. With the market being down they continue to watch their clients' portfolios based on the COVID situation. They are

not taking any risks or rebalancing at this time. They tend to be heavier weighted in the domestic market vs. the international market and having heavier allocations towards the growth part of the market vs. the value part of the market, since that is where they are seeing some stabilization. They are leaving cash positions as is, so as markets adjust, they can adjust accordingly. Until they start to see the COVID situation settle they are not making any drastic changes to the portfolios.

WURSTER Mr. Wurster asked Ms. Hose to elaborate on how the portfolio is positioned – defensively or at least to absorb some of the shock that has happened in the market.

HOSE Ms. Hose indicated the equity markets are the ones that created a downturn. She noted the portfolio is at approximate 50% target allocation in stocks, noting that is the piece which is getting hit the most. But within the portfolio are also alternative investments which are funds that help mitigate the risk and downturns.

ROONEY Mr. Rooney asked if any of the foreign accounts are more affected or less affected by the disruption.

HOSE Ms. Hose indicated because international funds are taking a significant hit, they are more over-weighted in the domestic market.

6. OLD BUSINESS

There was no Old Business.

7. NEW BUSINESS

There was no New Business.

8. COMMITTEE REPORTS

A. Pension Sub-Committee

WURSTER Mr. Wurster stated the main focus in their last meeting held two weeks ago was focused on the question of the actuarial assumptions. They reviewed several different scenarios in terms of what is a realistic actuarial return for the fund over the long term. He indicated part of the discussion was to come up with a new policy as well as some latitudes and flexibility for their advisors to make these investment changes to expand into equities. Mr. Wurster noted more details will follow as they peruse the findings and recommendations. He noted the opportunity is coming for the committee to take advantage of the shift in the market once COVID settles, and move into some equities and that will be the time to consider changes. Mr. Wurster stated the challenge whether they can meet their actuarial assumptions, and in order to do so they will need to make some investment changes with regard to the policy. He thanked Ms. Hose and Ms. Peris for their efforts.

HUNT Mr. Hunt thanked Mr. Wurster and his committee for their work. He noted it was very helpful to the Board.

ROONEY Mr. Rooney questioned whether, due to the COVID situation or other market changes that may cause a big impact, there are other things the policy could take into account, such as parking some of the equities on a short term and then putting them back in to mitigate or minimize the drop. He asked if that could be built into the policy or provide flexibility for them to make adjustments without having the Board to direct it.

WURSTER Mr. Wurster stated they do see this in their current composition and the way their investment managers have managed the portfolio. They have taken these steps, otherwise they would be worse off with regard to the performance over this challenging last quarter. Mr. Wurster stated the policy makes provisions for that flexibility as well as insuring safeguards. They also acknowledge the very vital pension money they are protecting and have to exercise their fiduciary responsibility through their investment advisers. Mr. Wurster assured they will take a look at that and point out what they can to address that concern.

9. COMMITTEE MOTIONS

- A. Authorize payment to Conrad Siegel Actuaries from Firefighters Pension Fund in the amount of \$2,450.00 for services rendered from June 17, 2019 through April 12, 2020

MR. ROONEY MOVED TO AUTHORIZE PAYMENT TO CONRAD SIEGEL ACTUARIES AS LISTED ABOVE. MR. RHOADES WAS SECOND. BY UNANIMOUS ROLL CALL VOTE MESSRS. HUNT, DVORYAK, WURSTER, ROONEY, INCH, RHOADES AND MS. WINGERT MOTION CARRIED.

- B. Acknowledge pension payments began for retired firefighter George Mount Effective May 1, 2020

MS. WINGERT MOVED TO ACKNOWLEDGE PENSION PAYMENTS FOR GEORGE MOUNT EFFECTIVE MAY 1, 2020. MR. RHOADES WAS SECOND. BY UNANIMOUS ROLL CALL VOTE MESSRS. HUNT, DVORYAK, WURSTER, ROONEY, INCH, RHOADES AND MS. WINGERT MOTION CARRIED.

9. ADJOURNMENT

HUNT Chairman Hunt adjourned the Pension Board meeting at 7:15 p.m.

Respectfully submitted,

Signature on file at YAUFRR Headquarters

Charles Wurster
Secretary

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