

**Pension Trustees
Meeting Minutes
August 9, 2017**

The quarterly meeting of the Trustees of the Tredyffrin Township Police Pension Fund (TTPPF), Deferred Compensation Plan, and the OPEB Trust, to discuss the results of the previous quarter, was held on the above date at the Township Building. Trustees present were Warren Hyams, Stanford Nishikawa, and Richard Veith. Also in attendance were Finance Director Joseph DiRocco; Board of Supervisors Liaison Murph Wysocki; and Recording Secretary Patricia Hoffman. Attending from PFM Advisors was Alex Goldsmith.

Prior to the start of the meeting, Mike Beaty, new Superintendent of Police, introduced himself to the Trustees.

The meeting was called to order at 7:47 a.m.

Approval of Minutes

Motion made by Mr. Hyams, seconded by Mr. Nishikawa, and passed unanimously to approve the minutes from the May 10, 2017 meeting.

PFM Review

Mr. Goldsmith joined the meeting at 7:49 a.m.

The second quarter showed continued strong equity market performance, especially in international equity markets, which outpaced domestic equities. Domestic large caps outperformed small caps, and growth outperformed value, as equity valuations continued to climb. Fixed income has yielded a positive return year-to-date, despite Fed activity which would raise interest rates. The REIT market continues to lag under the threat of rising rates.

While the economy is generally healthy, and unemployment is low, GDP recovery has been slow. Market volatility continues to be low, but could increase based on the geo-political developments.

Currently, there are no managers on PFM's Watch List for TTPPF.

Small Cap Manager Search

After much discussion/review/comparison of the three small cap core managers proposed by PFM to replace SouthernSun, which had been terminated by the Trustees at their last meeting, the Trustees approved hiring PNC Capital Advisors Structured Small Cap Fund, and transferring \$750,000 from the Vanguard All Cap Core to fund the new manager account. Mr. Goldsmith stated that this would be in line with PFM's advice, and would complement the structure of TTPPF's portfolioadding th. He added that PNC's investment strategy should offer some protection in a "down market".

Cash Needs

The Trustees approved the transfer of \$250,000.00 from the Vanguard All Cap Core to meet the third quarter cash needs. Mr. DiRocco will make this transfer by 9/30/2017.

The Trustees decided that no rebalancing was needed at this time.

Mr. Goldsmith left the meeting at 9 a.m.

2016 Audit

Mr. DiRocco reported that the auditor offered a clean opinion and no issues were found in the audit of the 2016 Financial Statements for the Police Pension Plan.

457 Deferred Compensation Plan

The plan is doing well. The Trustees approved the addition of the Vanguard Target Retirement 2065 Fund to the Plan as a new investment option.

While a formal audit is not legally required for this plan, as the Plan is managed by KT Administrators, the Township's auditors did perform a limited audit procedure and no issues were noted.

OPEB TRUST

The OPEB Trust is doing well in the Vanguard Life Strategy Growth Fund. Mr. DiRocco will make a contribution of \$325,000 late in the third quarter or early in the fourth quarter.

There was discussion on trying to get a Morningstar Report in order to have a peer comparison with other balanced funds.

Next Meeting

The next meeting is scheduled for November 8, 2017.

The Trustees agreed that the meeting schedule in 2017 would be acceptable for setting up the calendar for 2018.

Adjournment

The meeting was adjourned at 9:21 a.m.

Respectfully submitted,

Patricia Hoffman
Recording Secretary