

**Pension Trustees
Meeting Minutes – February 11, 2015**

The quarterly meeting of the Trustees of the Tredyffrin Township Police Pension Fund, Deferred Compensation Plan and the OPEB Trust to discuss the results of the fourth quarter 2014, was held on the above date at the Township Building. Trustees present were Warren Hyams, Bert Dalby and Richard Veith. Mr. Dalby left the meeting at 9 AM. Also in attendance were Township Manager William Martin; Finance Director Joseph DiRocco; Superintendent of Police Anthony Giaimo; Board of Supervisors Liaison Murph Wysocki; and Recording Secretary Patricia Hoffman. Attending from PFM Advisors was Mark Yasenchak.

The meeting was called to order at 7:30 AM.

Approval of Minutes & Administrative Matters

The Trustees approved the minutes from the November 12, 2014 meeting by acclamation.

Tredyffrin Township Police Pension Fund (TTPPF)

Fixed Income Manager Search

Mr. Yasenchak joined the meeting at 7:42 AM. PFM had previously provided the Trustees with its research analysis of three possible managers to replace The Philadelphia Trust Company (PT): American Funds (AMCAP), Fidelity Group Fidelity Contrafund, and T. Rowe Price Institutional Large Cap Growth. PFM also provided its updated analysis for PT.

After a thorough discussion of the merits of each fund manager, the Trustees agreed by acclamation to close the PT account in the amount of approximately \$1.8 million and fund American Funds (AMCAP) with \$2.0 million, transitioning over a three week period (\$600,000/week). The Trustees agreed to rebalance International Equity toward its target of 19% by reducing the allocation to Real Estate to 5%, the lower limit of its range. They also authorized Mr. DiRocco to provide for the cash needs of TTPPF for the next quarter in the amount of \$260,000.

Mr. Yasenchak will notify PT of the intent to terminate, and will send the Trustees a revised rebalancing worksheet.

Quarterly Report Review

In PFM's Plan Sponsor Peer Group Analysis, TTPPF has performed above the median of its peer funds over the long term. It was noted that the TTPPF has a higher allocation to international equity and correspondingly lower allocations to US equity and US fixed income than the median of its peer group. In addition, the TTPPF has outperformed its Target Policy Index over the 3 and 5 year periods ending 12/31/2014, with lower tracking error than all other funds in its peer group. TTPPF's ROR net of fees was 7.51% in 2014, 12.43%, annualized, for 3 years, and 10.12%, annualized, for 5 years ending 12/31/ 2014.

Mr. Yasenchak left the meeting at 9:08 AM.

457 Deferred Compensation Plan

Mr. DiRocco reviewed the 457 Plan Report (KT Administrators) as of 12/31/2014. He noted that Turner Small Cap Growth fund is still an issue and is the one concern in the plan. Overall, the plan is performing well.

OPEB Trust

Mr. DiRocco provided the most recent US Bank statement for review, and reported that the Township contribution to the Trust for 2015 will be \$575,000 (\$500,000 as the base contribution and \$75,000 for the three newly hired officers). This will be the first year of the \$25,000 annual contribution to the fund for each newly hired police officer, in order that, at retirement, that officer's benefits will be fully funded. After this month, the remaining funds will be transferred to the Vanguard Life Strategy Growth Fund.

Next Meeting

The next meeting of the Trustees is Wednesday, May 13, 2015, at 7:30 AM.

Adjournment

The meeting was adjourned at 9:33 AM.

Respectfully submitted,

Patricia Hoffman
Recording Secretary