

**Pension Trustees  
Meeting Minutes – May 13, 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 first quarter 2015, was held on the above date at the Township Building. Trustees present were Warren Hyams, Bert Dalby and Richard Veith. Also in attendance were Finance Director Joseph DiRocco; Board of Supervisors Liaison Murph Wysocki; and HR Manager Marianne Cattell, and Township resident Stanford Nishikawa. 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 February 11, 2015 meeting.

Mr. Dalby resigned his position as Pension Trustee effective immediately, based on Vanguard recommendations. The Board and Township thanked him for his eight years of service, which have been greatly appreciated. Mr. Nishikawa has been nominated to replace Mr. Dalby as a Trustee.

**Tredyffrin Township Police Pension Fund (TTPPF)**

**PFM Quarterly Report Review**

Mr. Yasenchak joined the meeting at 7:50 AM. He reviewed the relative performance of the segments of the domestic and international equity markets for the year to date, and stated that PFM's economic outlook is positive. Further, he indicated that PFM is closely watching current negotiations between Greece and the rest of the euro zone, the outcome of which will have implications for the wider euro zone and the U. S. markets.

According to PFM's Plan Sponsor Peer Group Analysis, TTPPF's total return has exceeded the Target Policy Index for 3, 5, & 7 years ended 3/31/2015, and ranked above the median annual return of "Public Plans less than \$50 million with no alternative investments". PFM's Scattergram charts for 3 & 5 years ended 3/31/2015, show that TTPPF's above-median returns have been earned with commensurate risk and low tracking error vs. the Target Policy Index.

The small balance remaining in the terminated Philadelphia Trust separate account will be moved to TTPPF's cash equivalents account.

Mr. DiRocco noted that TTPPF had recently received a class action settlement payment, whereupon Mr. Hyams asked who was responsible for handling class action suits. Normally, investment managers make the necessary filings in these cases, however, U. S. Bank, TTPPF's custodian has fiduciary responsibility for this activity. Mr. DiRocco will verify this with U. S. Bank.

Mr. Yasenchak left the meeting at 9:00 AM.

The Trustees recommended that the Board of Supervisors consider lowering the actuarial interest rate assumption from 7.5% to 7.0% for the 2016 Budget. Mr. DiRocco indicated that he would perform sensitivity testing before raising this issue with the Board of Supervisors.

**457 Deferred Compensation Plan**

Mr. DiRocco reviewed the 457 Plan Report (KT Administrators) as of 03/3/2015. There was an update on Board of Supervisors approved changes to the 457 Deferred Compensation plan, allowing for a catch-up contribution of \$6,000, and a special one-time contribution of \$36,000 for those in the last three (3) years prior to their retirement.

Mr. DiRocco stated that the Turner Small Cap Growth Fund is an issue because of the high fees that participants pay to hold it in their accounts. Mr. DiRocco will ask Vanguard for a replacement fund recommendation for the Trustees' consideration.

**OPEB Trust**

Mr. DiRocco reported that the Township contribution to the Trust for 2015 will be \$575,000. This reflects an increase of \$75,000 over the previous year and represents an additional \$25,000 per new officer hired (a total of 3 were hired in 2014). The current market value of investments in the OPEB Trust is approximately \$3,000,000.

Mr. Veith asked if the Pension Trustee minutes were accessible on the Township's website. Mr. DiRocco will look into making them available on the Finance page.

**Next Meeting**

The next meeting of the Trustees is Wednesday, August 12, 2015 at 7:30 AM.

**Adjournment**

The meeting was adjourned at 9:25 AM.

Respectfully submitted,

Marianne Cattell  
HR Manager