

**Pension Trustees
Meeting Minutes
May 11, 2016**

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

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

Approval of Minutes & Administrative Matters

The Trustees approved the minutes from the March 8, 2016 meeting.

PFM Review

Mr. Yasenchak reported that TTPPF finished the first quarter of 2016 with a return of 2.33%, gross of fees, rebounding in March after a weak start for the year. Real Estate (REIT index) led for the quarter, up 6%, and fixed income led equities. Emerging Markets led developed international markets by a wide margin in the quarter.

There was discussion regarding SouthernSun's (SS) improved performance in the first quarter and their continued placement on probation by PFM. Since SS is a manager for a portion of PFM's 401k plan, Mr. Yasenchak assured the Trustees that this manager is under continuous scrutiny by PFM. The Trustees agreed to retain SS for another quarter, while they consider alternative managers. Trustees requested that PFM update their search for a replacement for SS. No other managers were discussed.

Although the portfolio is slightly underweight in International, the Trustees decided that no rebalancing was required at this time. Mr. DiRocco reported that there were no cash needs at this time, as the Twp was about to forward the MMO funds to TTPPF.

There was discussion regarding TTPPF actuarial assumptions, and Mr. Yasenchak stated that most plan sponsors have been reducing their actuarial investment assumptions by ¼% every few years. There was a brief discussion on the Act 44 state municipal pension legislation regarding potential current changes and actuarial assumptions. There was further discussion of lowering the investment assumption. Mr. DiRocco will review this subject with the Board of Supervisors, who can engage our actuary to perform an analysis to determine the effect of a change on the MMO.

Mr. Yasenchak and Mr. Goldsmith left the meeting at 8:52 AM.

457 Deferred Compensation Plan

Mr. DiRocco reported that there is a new relationship manager at Vanguard, whom he will invite to meet with employees and discuss new funds available in the Plan. There have been no new investments in the fund account managed by Turner, however 21 participant accounts are still in the Turner fund. It was noted that participant loans rose in the last quarter. Mr. DiRocco added that he would ask the new relationship manager to emphasize the benefits of saving in the Plan, rather than withdrawing or taking loans.

OPEB Trust

Mr. DiRocco reported that \$300,000 of the annual contribution of \$575,000 will be made now, and the remainder will be made in November. The Trust is 100% invested in Vanguard Life Strategy Growth Fund.

Other

Mr. DiRocco reported that there had been no issues with the audit of the pension fund, and that the audit will be finalized by the next Trustees meeting.

Next Meeting

The next meeting is scheduled for August 10th.

Adjournment

The meeting was adjourned at 9:00 AM.

Respectfully submitted,

Patricia Hoffman
Recording Secretary