

PENSION ADVISORY BOARD/HEALTH & WELFARE BOARD OF TRUSTEES  
MAY 4, 2011  
QUARTERLY MEETING

The Pension Advisory Board/Health & Welfare Board of Trustees, met for their Quarterly Meeting on Wednesday, May 4, 2011, in the Township Building. The meeting was called to order at 5:31 p.m., followed by a pledge to the flag.

ROLL CALL:

The following members of the Pension Advisory Board/Health & Welfare Board of Trustees were present: Supervisor Erika Spott, Trustee and Liaison; Ronald G. Wagenmann, Township Manager & Trustee; Fred Santoro, Staff Liaison; Ron M. Fonock, Chief of Police/Trustee; Eric C. Medrow, Chairman; Vince Mallon, Civilian Member. Robert S. McKernan, Non-Uniformed Representative and Sgt. Andy Andreyko, Police Representative were absent.

MEETING MINUTES:

It was moved by Mr. Mallon, seconded by Chief Fonock, all voting "Aye" to approve the January 19, 2011 Reorganization Meeting Minutes as submitted. None opposed. Motion unanimously passed.

CHAIRMAN'S COMMENTS:

Mr. Medrow apologized for not pressing forward on the accumulation of data on alternative pension custodians. Chief Fonock remarked that prior to proceeding with that course of action; maybe we should have the current custodian, PNC, come in and brief the advisory board on what services they provide along with their fee schedule. Mr. Medrow suggested that we bring in the pension consultant and actuary at the same time. Mr. Santoro was directed to make arrangements to make it happen.

PRESENTATION BY DANIEL F. DENT, INVESTMENT MANAGER RE: POLICE PENSION PLAN AND FUND

Mr. Daniel Dent, Investment Manager, presented his performance report dated May 4, 2011 which detailed:

- Performance
- Asset Allocation
- Performance Attribution
- Fixed Income
- Portfolio

Page 5 and 6 of the presentation detailed the “laddering” of the Fixed investments according to anticipated expenses. Most investments are short-term due to the low return of such investments. Pages 8 and 9 gave a graphic presentation of the equity asset allocation.

A review of the results of 2010 showed a beginning value (12-31-09) of \$32,392,242.97, benefits and expenses paid of \$1,349,408.70. Interest and dividend income of \$1,072,413.85 and market gains of \$3,521,905.16 for an ending market value balance (12-31-10) of \$35,637,153.27. It should be noted that the interest and dividend income covered nearly 80% of the benefits and expenses paid out for the year.

A discussion ensued concerning the rise in the equity portion of the portfolio and the poor returns on the Fixed investment side. Mr. Dent explained that this was the result of market appreciation and not due to conscience purchase decisions.

Outlook: Large cap firms will continue to hold on to capital. Mid-cap organizations will remain the best investment opportunity, and the successful small cap companies will become mid-cap firms. Bond market continues to look bleak with corporates, rather than government, offering the best possibilities.

### OLD BUSINESS

Previously covered.

### NEW BUSINESS

Mr. Medrow asked Mr. Dent to explain his firm’s best execution policy and a discussion was held concerning commissions, volume and timing of trades. Mr. Dent will email a copy of their written Best Execution Policy.

ADJOURNMENT

With no further business to come before the Board, it was moved by Mr. Wagenmann, seconded by Chief Fonock, all voting “Aye” to adjourn. None opposed. Motion unanimously approved and the meeting was adjourned at 6:48 p.m.

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Alfred E. Santoro, III  
Board Liaison

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Minutes Approved:  
Minutes Entered: