



## FINANCE STANDING COMMITTEE MEETING

4/27/2020 [4:00PM-5:00PM] @ Board of Directors Room

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- FINANCE STANDING COMMITTEE MEETING -

### 1. Call to Order

#### Minutes

Meeting was called to order by Singer at 4 p.m.

### 2. Roll Call

#### Minutes

Present:

Terry Singer, Kathy Sicher, Joe McFarland, Greg Hummel, Kip Shaw, Regis Barwin, Darby Valego, Todd Shaffer, Mike Frentz, Lindsay Drew, PFM - Brad Remig, Brian Sanker, Tyler Braun

Absent:

Jeff King (unexcused)

Odd Stalebrink (unexcused)

Mark Mosely, community (was from Lancaster - not sure why/how he got in)

### 3. Approval of Summary Minutes

#### Minutes

Kip pointed out that the Feb. 24th minutes should have referenced the Jan. 27th meeting. Terry indicated that he would make the change. Minutes were then motioned for approval by Sicher and seconded by Shaw. Approved unanimously.

### 4. Unfinished Business

#### a. PLGIT/PFM Presentation on Fulton Bank - HS Hershey Trust

##### Minutes

PFM presented and discussed their analysis of the Milton Hershey Trust (Mike, Brad, Brian, Tyler).

Brian - manages funds for PFM - manages \$153 billion for school districts & gov't; Tyler Braun - manages - endowments, pension funds

Some highlights of the analysis included:

-benchmarks are not clear (we need a better constructed benchmark)

-credit quality may be too stringent

-asset allocation is within target range (65/35)

-alternatives security managers have consistently underperformed the benchmark

-portfolio may be too diversified into too many funds

-too many managers, too much overlap; redundancy of effort

- too many individual securities
- many active managers are not beating the indexes (passive indexes might perform better)
- fund has performed okay in general, but performance has lagged - there is room for improvement
- maybe seek better balance between international and US - based securities
- fully-loaded manager line-up and fees (.64 basis points - about \$295,000)
- if we're going to pay for active management, we should expect better performance
- bank managers tend to manage Trusts like ours differently than a financial management firm might (more individual securities than ETF's)

The above are select highlights and not meant to be a comprehensive summary of the report. Please see the attached report for full details.

Kip noted that he believes that an RFP is warranted (Todd Shaffer agreed). Kip requested to see a list of current equity holdings and trades during 2019. Kathy noted that corrective action is needed.

Mike indicated that in consultation with PFM he would like to follow-up with Fulton to fill in some of the blanks regarding benchmarks and performance and then bring back an update to the committee at our May meeting regarding next steps. Mike noted that we'd need to work with the Attorney General on any RFP/selection of a new trust manager.

## **b. Update on Food Service Program - High School**

### **Minutes**

For various reasons having to do with the pandemic, reduced revenue available for capital purchases and the uncertainty of when we'd be resuming normal school operation, Mike and Greg recommended that we not move forward with going into the national school lunch program at the high school as had been previously decided. Also, the inventory on-hand wouldn't comply with new standards. Equipment might not be available. Too many unknowns to make the transition now, but Greg will continue to prepare us for an eventual transition.

It was recommended that we publicly vote and/or note publicly that we won't be going back onto the program for 2020-21 in May or June. Greg noted that it might be possible to go onto the program at some point during the year so he will continue to investigate things. As he continues to explore things if he learns anything new he will provide an update. The funds available from the feds to go onto the program are about \$90K per year, but we'd likely lose ala carte sales.

## **5. New Business**

### **a. Real Estate Taxes 2020-2021 - Waiver of Penalty Period - Discussion**

#### **Minutes**

The Township and County will not charge any penalty for payments through Dec. 31. 2020. The local tax collector would like us to do the same. Mike would like us to make the decision at the same time as we pass our budget in June. Mike has cash flow concerns, but doesn't want to add administrative burden to tax collector. Mike also will check with the banks/mortgage service companies to see when they pay-out taxes. We'd could lose about \$65K in penalties if we approve the request. An update will be provided in May.

## **6. Public Comment**

#### **Minutes**

There was no public comment.

## 7. Adjournment

### Minutes

Sicher motioned adjournment. Seconded by Drew. Unanimous approval to adjourn meeting at 5:39 p.m.