

**JOINT RETIREMENT INVESTMENT BOARD MEETING**

**Wednesday, November 10, 2010**

**4:30 pm**

**Second Floor Conference Room**

**Independence Hall-725 Old Post Road**

**Fairfield, CT 06824**

**FINAL MINUTES**

Members Present: Ken Flatto, Paul Hiller, Robert Malarkey, Jack Leahy, Joe Rigoglioso, Jean Sturges, Barry Rosen, Rose Sandick, Scott Bartlett, Erik Kalapir, Brian Vahey, Mike Holland, Noradeen Farlekas

Members Absent: Fred Schaefer, Bonnie McWain

Others Present: David Hyman, member of the press

**I. Call to Order**

Co-Chairman Bob Malarkey called the meeting to order at 4:33 pm.

**II. Approval of Minutes**

Paul Hiller made a motion to approve the minutes. Jean Sturges seconded the motion. David Hyman asked to remove the last sentence in paragraph two on page three because he had not made that statement. The motion, as amended, was approved unanimously.

**III. Status of Investment Portfolio and Allocations**

Mr. Hyman gave the Board a draft "Statement of Investment Policy and Objectives" that was previously discussed with the Committee. He asked the Board to send him any comments. Mr. Hyman gave the Board another handout on the Town's "Total Fund Performance Measurement," which shows performances as of September 30, 2010. He noted on page two that the Total Alternatives section now has a Transition Account line. Mr. Hiller discussed the Total Cash performance on page three. He said the account is being handled through the custodian where all disbursements are made and Town and employee contributions have been deposited on a quarterly basis. Mr. Hiller discussed how much cash will be left after payments are made each month. Mr. Hyman reviewed Schedule A on page 16 of the draft Statement of Investment Policy and Objectives. He compared this schedule to the total fund. Mr. Hyman discussed the overall total fund allocation, lock-ups and liquidity. Mr. Hyman said he will send Mr. Hiller a memo on where current allocations are today and where we should be going. Mr. Hyman discussed the alternatives, domestic equity and international equity. Noradeen Farlekas asked about Iridian. Mr. Hyman said EAI had met with them recently and there are some changes to the management. He said the Board should meet with portfolio managers on an ongoing basis. Mr. Hiller recommended meetings with Iridian and Seix. Mr. Hyman said he will provide materials on commodities. Mr. Hyman gave the Board a third handout on suggested long/short hedge fund allocations. He reviewed the two options. The sense of the Board is to use Option One with four hedge fund managers (one fund of funds for \$10 million and three direct managers at \$5 million each).

#### IV. Discussion and Selection of Additional Portfolio Managers

Mr. Malarkey moved to invest \$10 million with Wellington under Option One, a fund of funds manager. Mr. Flatto seconded the motion which carried unanimously. Mr. Hiller briefed the Board on meeting with Conatus. He was joined by Erik Kalapir, Ken Flatto, Fred Schaefer and David Hyman. Brian Vahey asked about ownership and Mr. Hyman said all senior professionals hold equity. Mr. Flatto recommended a \$5 million investment. Ms. Farlekas recommended taking funds from the equity asset managers. Mr. Flatto made a motion to adopt Option One. Mr. Vahey seconded the motion. Mr. Flatto made an amendment to invest \$5 million with Conatus' Class A fund. Mr. Kalapir seconded the motion which carried unanimously. Mr. Hyman is rescheduling the subcommittee's meeting with Shumway and is working on setting up a meeting with Addison. Ms. Farlekas made a motion to transfer on to these new hedge fund investments \$7 million from The Boston Company and \$4 million from both Iridian and Columbus Circle. Mr. Flatto seconded the motion which carried unanimously. Mr. Hiller made a motion to approve any further required withdrawals for retiree payments from equity exchange funds until the Board's next meeting. Barry Rosen seconded the motion which carried unanimously. Mr. Flatto said the litigation subcommittee had a very productive meeting recently in furtherance of the Board's goals.

#### V. Adjourn

Mr. Malarkey made a motion to adjourn the meeting at 6:03 pm. Mrs. Sturges seconded the motion which carried unanimously.

Respectfully submitted,

Jennifer S. Carpenter  
Recording Secretary