

## **JOINT RETIREMENT INVESTMENT BOARD MEETING**

**Tuesday, January 25, 2011**

**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, Joe Rigoglioso, Jean Sturges, Rose Sandick, Erik Kalapir, Brian Vahey, Mike Holland, Ralph Money, Bonnie McWain

Members Absent: Fred Schaefer, Scott Bartlett, Barry Rosen, Noradeen Farlekas

Others Present: David Hyman, MaryAnn DiMaggio, Ken Brachfeld, Jim Keegan, Mark Ahern, Colin Morris, Matt Greenberg

#### **I. Call to Order**

Chairman Bob Malarkey called the meeting to order at 4:36 pm.

#### **II. Approve Minutes**

Ken Flatto made a motion to approve the minutes of November 10, 2010. Jean Sturges seconded the motion. Mrs. Sturges made an amendment to list Fred Schaefer as absent; change the last sentence of item III to \$10 million and \$5 million, not 10% or 5%; and spell withdrawals correctly in section IV. Erik Kalapir seconded the amendment which carried unanimously. Joe Rigoglioso made an amendment to correct Noradeen Farlekas' motion in section IV to read, "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. Kalapir seconded the amendment which carried unanimously. Mr. Kalapir moved the main motion, as amended. Brian Vahey seconded the motion which carried unanimously. Ken Flatto made a motion to approve the minutes of January 14, 2011. Mr. Vahey seconded the motion. Mr. Kalapir made an amendment to correct the spelling of his name; add Mike Holland as present; and note that Ralph Money was not present during the motion to adjourn. Mr. Money seconded the amendment which carried unanimously. The main motion, as amended, carried unanimously.

#### **III. Presentations from Seix**

MaryAnn DiMaggio of Evaluation Associates gave the Board a brief overview on Seix. She said Seix is a mid-sized, fixed income boutique that was sold to SunTrust Banks, Inc. She said the biggest issue is organizational uncertainty but the firm is performing well. Fairfield was one of Seix's first clients. Seix, which manages about \$25 billion in assets, is known for credit capabilities and is a very efficient manager. Ms. DiMaggio said she still has concerns with ensuring broad stable management.

Jim Keegan, CEO, and Mark Ahern of Seix spoke to the Board about portfolio review, an update on the company and market outlook. Mr. Ahern said that Seix focuses on individual credits. He said SunTrust has divested itself, resulting in a reaffirmation to Seix. Ms. DiMaggio asked how Seix motivates its professionals.

Mr. Ahern said their approach is ground level and staff enjoys a flat level organization with multi-level approaches to compensation. Since Mr. Keegan joined Seix, it has not lost any investment professionals. Mr. Ahern reviewed the Town's performance summary and how the portfolio is currently positioned. In answer to a question on who he reports to at the parent company, Mr. Keegan said he reports to the CEO of Ridgeworth Investments, a subsidiary to SunTrust and he represents Seix on the Board of Directors.

David Hyman gave a brief overview on Iridian before their managers spoke to the Board. Mr. Hyman said that it's an independent boutique that was formed in the 1990s; the firm was sold to the Bank of Ireland in the early 2000s and is independent again since the firm bought themselves back from the Bank of Ireland in 2009.

#### IV. Investment Update Through December 31, 2010

Before Iridian representatives spoke to the Board, Mr. Hyman gave the Board a handout on the total fund performance as of the end of 2010. He said the town's portfolio was at \$290 million by the year's end. It tracked right in line with the policy benchmark. Seix and Dwight yielded strong results. Alternatives underperformed a bit. Paul Hiller said he had communications with Pequot Funds which are still liquidating.

#### V. Presentation from Iridian

Colin Morris and Matt Greenberg of Iridian gave an overview on the town's portfolio, performance and market update. Mr. Morris explained Iridian looks at stocks "with a story," then establishes a valuation. Mr. Morris said that the Town has been with Iridian for 11 years. The second half of 2010 had a significant pickup in performance. Mr. Greenberg discussed some of the portfolio names and described a few stories with some of its holdings that generally hold about 18 months. Mr. Hyman asked Iridian to describe the change with retiring CEO David Cohen and his new role. Mr. Morris said he is removed from the day-to-day management but provides strategic direction on all products.

#### IV. New Business

Mr. Hyman said he needs to get final feedback from the Board on the investment policy. Mr. Malarkey suggested having the document ready for a vote by the next meeting. The Board heard how its subcommittee had met with Shumway. Mr. Hyman asked if the Board is ready to make a recommendation for funds for Shumway. The Board decided to determine that recommendation at their next meeting. Mr. Flatto asked about the status of Conatus. Mr. Hiller said paperwork is ready and \$5 million will be invested February 1, 2011. Mr. Kalapir suggested visiting Addison Clark. Mr. Hiller said the actuary is attending the February 15, 2011 BOF meeting to mainly discuss the pension plan. Mr. Hiller gave the Board a handout on the Town's Postretirement Welfare Plan from Hooker & Holcombe. He said the BOF and RTM are fully committed to fully funding the arc by the next budget year. Mr. Hiller wants Hooker & Holcombe to perform an experienced study next year and an asset liability study. Mr. Vahey said that the cash flow management for the pension should be included in the policy statement.

#### VII. Public Comment-None

VIII. Adjourn

Mr. Malarkey made a motion to adjourn the meeting at 6:48 pm. Mr. Kalapir seconded the motion which carried unanimously.

Respectfully submitted,

Jennifer S. Carpenter  
Recording Secretary