

JOINT RETIREMENT INVESTMENT BOARD SPECIAL MEETING

Tuesday, March 8, 2011

4:30 pm

**Second Floor Conference Room
Independence Hall-725 Old Post Road
Fairfield, CT 06824**

FINAL MINUTES

Members Present: Robert Malarkey, Ken Flatto, Paul Hiller, Scott Bartlett, Barry Rosen, Jean Sturges, Erik Kalapir, Mike Holland, Bonnie McWain, Ralph Money, Rose Sandick, Brian Vahey, Fred Schaefer

Members Absent: Joe Rigoglioso

Others Present: David Hyman

I. Call to Order

Chairman Robert Malarkey called the meeting to order at 4:34 pm.

II. Approve Minutes

Mr. Malarkey made a motion to approve the minutes of January 25, 2011. Jean Sturges seconded the motion which carried unanimously.

III. Investment Update

David Hyman of Evaluation Associates gave the Board two handouts on an Executive Summary with a Quarter ending December 31, 2010 and the 2011 Outlook and 2010 in review. Mr. Hyman gave a brief update on the current state of the market. He then briefly reviewed the executive summary noting results that showed the overall domestic equity allocation gained 13.2% in 2010. The Fixed Income was slightly negative for the year, but overall, active management should outperform passive management in a rising interest rate environment. Mr. Hyman said he is working on providing information on commodities mandates for the next meeting. A final payment of \$1.5 million has been redeemed from Pequot Endowment, which was \$100,000 more than had been expected. Fiscal Officer Paul Hiller gave the Board a handout on a monthly estimate, dated February 2011, from Conatus Capital Overseas Ltd. Mr. Hyman discussed illiquid investments the Town has with Lexington and TA Realty. Mr. Hyman showed the Board an example of a study of public plans versus the Town's plan to give a perspective on asset mix comparisons of other plans, but it is important to note that these other plans may have different goals and objectives, risk tolerances and/or funded status levels. He showed the Board how our plan ranks against other plans. Mr. Hyman discussed recent changes at Dwight and noted that EAI is looking at scheduling a meeting with Dwight. There are no other changes with Iridian; the Boston Company has a new CEO. Mr. Hyman said Shumway was closing down the fund so this is no longer under consideration. He will look to schedule a meeting with Addison Clark with the Board's subcommittee as a follow-up to potential additional diversification within the long/short hedge fund allocation.

IV. Consideration and Adoption of new Investment Policy

Mr. Flatto said that the Assistant Town Attorney reviewed this policy and had spoken to Mr. Hyman about Town Ordinance requirements.

The Board had a discussion on the Policy and made a number of suggested revisions to Evaluation Associates. EAI will produce a final draft for adoption at the next meeting.

V. Discussion and Consideration of Divestiture of Investments in Certain Countries

Mr. Flatto noted that the State of Connecticut has taken a position of not having investment managers invest in certain volatile countries such as Iran and Sudan. He gave the Board a handout and suggested the Board adhere to the State's model. Mr. Malarkey asked Mr. Hyman to look into whether the Town is exposed to these countries.

VI. New Business

Erik Kalapir would like to invite the Human Resources Director to the next Board meeting to discuss giving employees pension statements on an annual basis. Mr. Flatto said this should be resolved soon and employees should be receiving statements in a few weeks. Mr. Kalapir made a motion to invite the HR Director to attend the next Board meeting to discuss pension statements for employees. Scott Bartlett seconded the motion which carried unanimously. Mr. Flatto mentioned that the Employees Retirement Board recently approved a new policy on what interest rate is earned per year on active employee contributions to the Pension Fund. This policy will be sent to the Police and Fire Retirement Board. Mr. Flatto said that at recent town meetings, the Administration agreed to get an update on the actuarial assumptions and an experience study in time for next year. This will be on the agenda for the next meeting. Fred Schaefer made a motion to approve two regular meeting dates-April 7 and September 8. Mr. Flatto seconded the motion which carried 12-0-1, Jean Sturges abstaining.

VII. Public Comment-None

VIII. Adjourn

Mr. Schaefer 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