JOINT RETIREMENT BOARD MEETING
Tuesday, January 15, 2013
7:00 pm
Second Floor Conference Room
Independence Hall, 725 Old Post Road
Fairfield, CT 06824

FINAL MINUTES

Members Present: Scott Bartlett, Mike Tetreau, Don Bowers, Brian Vahey, Mike Mears, Fred Schaefer, Erik Kalapir, Bob Mayer, Geoff Mullen (via phone)
Members Absent: Bob Malarkey, Nancy Byrnes, Barry Rosen, James Takami
Others Present: Tom Shingler

I. Call to Order

Vice-Chair Scott Bartlett called the meeting to order at 7:02 pm.

II. Approval of Minutes of December 18, 2012

Mike Tetreau made an amendment to delete Bud Pellecchia's name from the "Others Present" section in the minutes. Mike Mears seconded the amendment which carried 7-0-2, Mr. Bartlett and Fred Schaefer abstaining. Mr. Tetreau made an amendment to move the following sentences in section IV. To section V, "Mr. Shingler and Gene Podkaminer of Callan gave an analysis of the US equity portion which the Board then discussed. A sense of the body was taken; the focus is on mix 3 and 4 (see Callan handout). Mr. Mears made a motion to postpone the discussion to the next meeting. Mr. Kalapir seconded the motion which carried unanimously." Mr. Mears seconded the amendment which carried 7-0-2, Mr. Bartlett and Mr. Schaefer abstained. Don Bowers made an amendment to remove Laura Stein's name in the Others Present section and in item III and replace it with David Golub. Erik Kalapir seconded the amendment which carried 9-0. Mr. Tetreau made a motion to approve the minutes, as amended. Bob Mayer seconded the motion which carried 7-0-2, Mr. Bartlett and Mr. Schaefer abstaining.

III. To Hear CFO Report on Cash Flow Activity for the Six Months Ended December 31, 2012

CFO Bob Mayer gave the board two handouts—a statement of cash flow for the town's employees' pension fund and the town's police and fire pension fund. Mr. Mayer said the police and fire fund needs sources of cash. About $3.3/$3.4 million of cash needs to be raised by March. January will end with less than two months of cash disbursements requirements. The town employees' fund needs $1 million in April. Both sales will get the funds through until June.

Tom Shingler of Callan gave the Board a flash report on pension performance results ending December 31, 2012. Mr. Shingler said the total fund was up at the end of December from the end of November due to positive investment performance. Mr. Shingler gave an overview on the target versus actual performance of each fund. He said, overall, each fund is very close to the target. Remaining GSAM holdings are cash so they can be moved to Wells Montgomery or

be used for another purpose. Pequot's liquidation is finished. Mr. Shingler said that about $4.5 million in cash needs to be raised and he recommends taking cash from U.S. equity because of the U.S./Private Equity overweight.

Mr. Tetreau made a motion to take $4 million from Iridian to raise cash. Brian Vahey seconded the motion which carried 9-0.

IV. To Hear Pension and OPEB Funds Performance Results for the Month and Six Months Ended December 31, 2012

Mr. Shingler continued discussion on the flash report and said returns for the last year and fiscal year were very good. Private equity and real estate lag a quarter in valuation. Overall, the asset class performance was good for managers. The market is entering a difficult period for fixed income.

Mr. Shingler gave the Board a flash report on OPEB. He said there was a slightly negative performance for the month, but solid over the longer term.

V. Discuss Analysis of US Equity Structure Portion of Fairfield Pension Plan

Mr. Shingler gave the Board a handout on a US Equity Manager Structure Review to continue discussion from the prior meeting and decide on a structure. Mr. Shingler gave an overview on target allocation, the historical holdings based U.S. equity manager characteristics and U.S. equity manager observations.

After the Board discussed mixes 3 and 4 as well as mix 5, Mr. Kalapir suggested leaving mix 3 as is and drawing future private equity funding from the large cap passive manager.

Mr. Schaefer made a motion to adopt mix 3 and draw future private equity funding from large cap. Mr. Mears seconded the motion which carried 8-0 (Mr. Mayer left the meeting to attend another meeting).

VI. New Business-None

VII. Old Business-None

VIII. Public Comment-None

IX. Adjourn

Mr. Mears made a motion to adjourn the meeting at 8:38 pm. Mr. Vahey seconded the motion which carried 8-0.

Respectfully submitted,

Jennifer S. Carpenter
Recording Secretary