

JOINT RETIREMENT INVESTMENT BOARD MEETING

Tuesday, September 17, 2013 7:00 pm

Second Floor Conference Room Independence Hall

725 Old Post Road

Fairfield, CT 06824

FINAL MINUTES

Members Present: Bob Malarkey, Nancy Byrnes, Brian Vahey, Scott Bartlett, Erik Kalapir, Ken Rubano, Geoff Mullen, Fred Schaefer, James Takami

Members Absent: Mike Tetreau, Bob Mayer, Don Bowers, Walter Burke, Mike Mears

Others Present: Tom Shingler, Gene Podkaminer, Sandy Herman

I. Call to Order

Chair Bob Malarkey called the meeting to order at 7:02 pm.

II. Approval of Minutes of August 20, 2013

Bob Malarkey made a motion to approve the minutes later in the meeting. Nancy Byrnes seconded the motion which carried unanimously.

After item VI, the Board reviewed the minutes. Geoff Mullen made a motion to approve the minutes. Brian Vahey seconded the motion which carried 7-0-2, Erik Kalapir and James Takami abstained.

III. To Hear Pension and OPEB Funds Performance Results for the Year and the Month Ended August 31, 2013

Tom Shingler gave the Board flash reports on the pension and OPEB. Mr. Shingler discussed the total fund market value for the period ended August 31, 2013. He said all assets are close to the target except US equities, though the US equity asset level is consistent with that asset class serving as a proxy for private equity. Last month, equities were down. Mr. Shingler reviewed returns for the period ending August 31, 2013. He said the last 12 months have seen a healthy return for the total fund.

Mr. Shingler then reviewed the flash report on OPEB. He said that police, fire and employees are now being reported on a consolidated basis. Mr. Shingler discussed the net new investment in cash and the market value of cash for the period ending August 31, 2013. All cash is now invested in the town's funds.

IV. Review Fixed Income Portfolio

Gene Podkaminer gave the Board a booklet on fixed income manager structure. He said it's useful to look at the role of fixed income in the total plan. Mr. Podkaminer said this is a timely analysis given market conditions, and Callan will discuss what fixed income does for Fairfield's total fund and how it's invested. He said there is no need for the Board to take action now but the Board should go through this process regularly. Mr. Podkaminer discussed the role of fixed income and why it belongs in portfolios. He reviewed economic scenarios and said it's important to have assets that play to each of the economic scenarios he presented. Mr. Podkaminer discussed Fairfield's fixed income sector exposures and how they differ from the

benchmark. He discussed the difference in yield and duration for Montgomery and Seix. Mr. Shingler said overall, Callan likes the structure of these two managers. He added that fixed income is the anchor for everything else the Board has invested in. Mr. Podkaminer discussed Fairfield's current allocation and discussed other ways to manage fixed income. Mr. Podkaminer concluded by restating that Callan recommends no change at this time.

V. Callan Report on Sale of Black Rock and Purchases for OPEB Account

During review of the pension flash report in Item III, Mr. Shingler said that a \$2 million withdrawal from the S&P 500 fund in September had been made for benefits and that purchases were made in the OPEB account to invest the approximately \$2 million in cash.

VI. Discuss Meeting Dates

Mr. Shingler said CFO Bob Mayer asked him to discuss meeting later in the month since the timeframe in gathering data has been too tight. Mr. Shingler suggests that Callan can report performance on a one month lag and keep meeting the same time each month, but the Board felt it important to meet later and get more current data. After discussing various dates, Mr. Kalapir made a motion to meet the fourth Wednesday of each month starting in 2014 and continue meeting the third Tuesday of each month between now and the end of 2013. Nancy Byrnes seconded the motion which carried unanimously.

VII. New Business

Mr. Kalapir asked about an update from Hooker & Holcombe.

VIII. Old Business

Ms. Byrnes asked about an update on the booklet HR is supposed to be providing and updating.

IX. Public Comment-None

X. Adjourn

Mr. Malarkey made a motion to adjourn the meeting at 8:18 pm. Fred Schaefer seconded the motion which carried unanimously.

Respectfully submitted,

Jennifer S. Carpenter
Recording Secretary