

# **POLICEMEN AND FIREMEN'S PENSION FUND BOARD**

## **MINUTES**

**FEBRUARY 25, 2010**

**PLACE:** Hall of Records  
200 Orange Street  
New Haven, Connecticut 06510

**PRESENT:** James Kottage, Fire Union Representative, and Chairman  
Richard Epstein, Police Commissioner  
Theodore Brooks, Police Commissioner  
Wendy Mongillo, Fire Commissioner  
Frank Lombardi, Police Union Representative  
George Longyear, Fire Commissioner

**ABSENT:** Mayor John DeStefano, Jr.  
Mark Pietrosimone, Clerk

**ALSO PRESENT:** Jerome Sagnella, Payroll/Pension Administrator  
Carol Chiappone, Benefits Auditor  
Bob Hubbard, Gray and Company

Chairman Kottage convened the meeting at 8:10 a.m.

1. **APPROVAL OF MINUTES**

Comm. Brooks made a motion to approve the minutes from the January meeting; Comm. Longyear seconded, and the vote was unanimous.

2. **AGE ANNUITY RETIREMENT- FOR INFORMATION ONLY**

- A) FITZGERALD, THEODORE D. - POLICE**
- B) REICHARD, PETER – POLICE**

This item was for information only.

3. **DISABILITY ANNUITY RETIREMENT – SERVICE CONNECTED**

**A) ROACH, CLEVELAND – POLICE**

Comm. Epstein made a motion to go into executive session; Rep. Lombardi seconded and the vote was unanimous;

Rep. Lombardi made a motion to come out of executive session and Comm. Longyear seconded and the vote was unanimous.

Comm. Epstein made a motion to approve Cleveland Roach of the Police Department based on the medical report for a service connected disability; Rep. Lombardi seconded and the vote was unanimous.

4. **DISABILITY ANNUITY RETIREMENT – SERVICE CONNECTED PREVIOUSLY APPROVED FROM AGE ANNUITY**

Rep. Lombardi made a motion to approve Michael Illingworth of the Police Department for a service connected disability based on medical reports; Comm. Longyear seconded and the vote was unanimous.

5. **DEATH AFTER RETIREMENT – FOR INFORMATION ONLY**

- A) DANIELS, LOUIS – POLICE
- B) RIZZO, LEONARD – FIRE
- C) STUCKEY, RONALD - POLICE
- D) BURNS, WILLIAM FIRE

This item was for information only

6. **WITHDRAWAL – FOR INFORMATION ONLY**

**A) CARTER, WAYNE - FIRE**

7. **WAIVER OF DISABILITY INCOME CAP**

Rep. Lombardi made a motion to approve the waiver of the disability income cap for retired officer Arthur McKeithen based on information received for Chief Lewis. Comm. Longyear seconded and the vote was unanimous.

8. **PAYMENT OF THE BILLS**

Rep. Lombardi made a motion to approve the payment of the bills; Comm. Longyear seconded and the vote was unanimous.

9.

## **ADMINISTRATIVE MATTERS**

### **A) BRENNER, SALTZMANN AND WALLMAN – DISCUSSION OF BILLS**

Rep. Kottage stated that the Pension staff reviewed all the Brenner, Satzzman and Wallman bills and everything was in order.

Comm. Brooks made a motion to add the Discussion of Strategy Concerning Pending Claim and Pending Litigation – Gerald Fanfarelli to the agenda. Rep. Lombardi seconded and the vote was unanimous.

Comm. Epstein made a motion to go into executive session for discussion of strategy concerning pending claim and pending litigation; Rep. Lombardi seconded and the vote was unanimous;

Rep. Lombardi made a motion to come out of executive session and Comm. Longyear seconded and the vote was unanimous.

8.

## **INVESTMENT REPORT**

Mr. Hubbard reviewed the capital market report for the past ten years. For the first three years of the decade the S&P had negative returns, followed by couple of good years. The equity market emerged from the depths with a more traditional focus-corporate earnings and cash flows. Most major economies returned to positive GDP growth in the fourth quarter, with many developing countries experiencing sharp increases in economic activity.

Mr. Hubbard stated that there was good performance for fixed income for the one year and the international market continued to rally. The Board should expect Wentworth Hauser to have great returns.

Mr. Hubbard stated that the plan's value was \$264.23 million as of December 31, 2009. The plan return was 3.80% for the fourth quarter 2009 versus the policy benchmark return of 2.96%. Across the board the plan has outperformed the policy benchmark. The fund returned 20.32% for the one year. ICC outperformed their universe. Wenworth Hauser for the quarter returned in top 3% of their universe, 9.85% vs. 2.18%. On the fixed income side Loomis Sayles returned 3.89% vs. .20% for the benchmark.

Mr. Hubbarb stated that he was asked to do a comparison of how the P&F Fund performed compared to other public funds. He referred Board Members to the cumulative performance comparison of the P&F returns against the total fund public sponsors. He stated that this is the total returns for the total fund level of all of their public fund sponsors that are in the Gray and Company data base.

Comm. Epstein stated that over a long period of time Invesco Enhanced Fund, SASCO and UBS's performance has been low. They had one good

year that changed the others. Mr. Hubbard stated that he would go back and really see what is causing their low performance over a three year to five year time frame.

Rep. Kottage stated that Harbert Capital and Intercontinental both recently gave presentations. He would like to the Board to consider these investments. Intercontinental is a core plus real estate manager and they utilize a little more leverage in their portfolio and they are also willing to take a little more risk. This is an area the Fund does not have exposure to right now. Harbert has completed their investment cycle in Fund III and would like the Fund invested in Fund IV.

Mr. Hubbard stated that these firms have two different fund structures. Intercontinental has an underlying portfolio they constantly add value and create shares around so that whatever point you enter it you get the share evaluation at that point. They also have liquidity capabilities within that Fund.

Comm. Brooks made a motion to grant \$5 million to Harbert Capital Fund IV and \$5 million to Intercontinental providing that cash is available in the Fund; Rep. Lombardi seconded and the vote was unanimous.

Rep. Kottage asked Board members to review the handout on what is happening in energy going forward. Mr. Kottage would like to Board to consider investing \$3 million. This is strictly an energy play it has a lot to do with servicing.

Comm. Brooks asked Bob Hubbard to review this investment and report back to the Board. Mr. Hubbard stated that he would inform the Board where Wenworth is invested and pull back the underlying positions in their portfolio. He would like to compare their numbers to this new energy investment.

The next regular meeting has been scheduled for March 18, 2010 at 8:00 a.m. in the Controller's Conference Room.

The meeting adjourned at 9:30 a.m. on a motion made by Comm. Brooks and seconded by Comm. Mongillo.

ATTEST:

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Mark Pietrosimone, Clerk

