

**DRAFT**

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

**MINUTES**

**DECEMBER 18, 2008**

- PLACE:** Hall of Records  
200 Orange Street  
New Haven, Connecticut 06510
- PRESENT:** James Kottage, Fire Union Representative, and Chairman  
William Celentano, Fire Commissioner  
Theodore Brooks, Police Commissioner  
Frank Lombardi, Police Union Representative  
Wendy Mongillo, Fire Commissioner  
Richard Epstein, Police Commissioner
- ABSENT:** Mayor John DeStefano, Jr.  
Frank Lombardi, Police Commissioner  
Mark Pietrosimone, Clerk
- ALSO PRESENT:** Jerome Sagnella, Payroll/Pension Administrator  
Carol Chiappone, Benefits Auditor  
Larry Gray, Gray and Company

Chairman Kottage convened the meeting at 3:03 p.m.

1. **APPROVAL OF MINUTES**  
  
Comm. Brooks made a motion to approve the minutes from the November 20, 2008 meeting; Comm. Epstein seconded, and the vote was unanimous.
  
2. **DISABILITY ANNUITY RETIREMENT – SERVICE CONNECTED /AGE ANNUITY**
  - a) **Carrano, John - Fire**

Comm. Epstein made a motion to approve the service connected disabilities for John Carrano based on the medical reports; Comm. Brooks seconded and the vote was unanimous;

**3. PAYMENT OF BILLS**

Comm. Celentano made a motion to approve the payment of the bills; Comm. Brooks seconded and the vote was unanimous.

**4. ADMINISTRATIVE MATTERS**

**A) EXPLANATION OF FREEDOM OF INFORMATION (FOI) OF MEETING VOTES, MINUTES AND AGENDAS**

**B) EXECUTIVE SESSION – DISCUSSION OF STRATEGY CONCERNING PENDING CLAIM**

Rep. Kottage stated there is a CHRO claim filed by Gerald Fanfarelli against the Pension Board. There recently was a FOI hearing regarding Mr. Gerald Fanfarelli. Rep. Kottage would like the Board to gather more information and would like to hire another firm outside to represent them. He is considering three possible law firms who have experience with CHRO's.

Comm. Epstein made a motion go into executive session to discuss strategy regarding a pending claim; Comm. Brooks seconded and the vote was unanimous.

Comm. Mongillo made a motion to come out of executive session; Comm. Celentano seconded and the vote was unanimous.

Comm. Mongillo made a motion to allow Carolyn Kone of Brenner, Saltzman and Wallman to file an appearance and ask for an extension in the CHRO complaint filed against the Pension Board by Gerald Fanfarelli. Comm. Celentano seconded and the vote was unanimous.

**6. INVESTMENT REPORT**

**a) DISCUSSION OF WRAP PROGRAM**

Rep. Kottage stated that recently the Board voted to enter the wrap program with UBS. There has been legal due diligence done but there still are a couple of pending issues. Att. Freilich had questions concerning the third party indemnification. Rep. Kottage believes there is enough layers of protection for the Board. Att. Freilich

questioned if Mr. Kottage should be the sole trustee to sign the agreement. He does not have a problem since as Chairperson he is acting on behalf of the whole Board and there are enough safe guards in place. Rep. Kottage stated that if the Board were to work directly with Wentworth Hauser there would be a cost of 25 more basis points. Comm. Epstein suggested talking with Wentworth Hauser to see if they are willing to negotiate fees in order to have a direct relationship with them.

Comm. Epstein made a motion to enter into an agreement with UBS for the Wrap Program pending Mr. Gray's discussion with Wentworth Hauser; Comm. Mongillo seconded and the vote was unanimous.

Mr. Gray reviewed monthly flash report. He stated that the current value of the fund is fund was \$222,902 million and minus the alternatives the value is \$187,483 million. The Fund is 360 basis points positive with the alternatives. He stated that the year to date number is not a pretty number. The Russell 3000 index was down 38.86% for the year. Large cap growth was down 39.5% and the Russell 1000 value was down 37.72%. On the international side of the portfolio the EAFA was down 46.6% year to date. Comm. Epstein asked about the idea indexing the fund. Mr. Gray responded that the large cap space of the market is so efficient it is very difficult for an active manager to outperform. In the small cap market it is so inefficient that even a skilled manager has a much higher potential to outperform. It gets even better on the international side.

Rep. Kottage stated that he has had spoken to Souritus and hope to get the all the money due the Fund soon.

**6. SCHEDULE OF MEETINGS**

Rep. Kottage asked to change the February 19, 2009 meeting to February 26, 2009. Comm. Epstein moved the approval of the schedule of the 2009 meetings with the amendment to the February meeting; Comm. Celentano seconded and the vote was unanimous.

The next regular meeting has been scheduled for January 15, 2009 at 8:00 a.m. in the Controller's Conference Room.

The meeting adjourned at 4:30 p.m. on a motion made by Comm. Brooks and seconded by Comm. Celentano.

ATTEST:

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Mark Pietrosimone, Clerk