

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

MINUTES

AUGUST 20, 2009

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 Commissioner
George Longyear, Fire Commissioner

ABSENT: Mayor John DeStefano, Jr.
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 8:15 a.m.

1. APPROVAL OF MINUTES

Comm. Brooks made a motion to approve the minutes from the July 2009 meeting as amended ; Comm. Mongillo seconded, and the vote was unanimous.

2. AGE ANNUITY RETIREMENT – FOR INFORMATION ONLY

A) WHITE, THOMAS - POLICE

This item was for information only.

3. DISABILITY ANNUITY RETIREMENT SERVICE CONNECTED/PREVIOUSLY PREVIOUSLY APPROVED FOR AGE ANNUITY

A) ANNUNZIATO, ANTHONY - FIRE

Comm. Epstein made a motion to go into executive session at 8:20 a.m. Comm. Brooks seconded and the vote was unanimous.

Comm. Epstein made a motion to come out of executive session at 8:30 a.m. Comm. Brooks seconded and the vote was unanimous.

Comm. Epstein made a motion to approve a service connected disability for Anthony Annunziato of the Fire Department; Comm. Longyear seconded and the vote was unanimous.

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

A) **GAMBARDELLA, WILLIAM – FIRE**

B) **DECHELLO, WILLIAM - FIRE**

This item was for information only.

5. **PAYMENT OF THE BILLS**

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

6. **ADMINISTRATIVE MATTERS**

A) **TRUSTEE LIABILITY INSURANCE/MEMORANDUM OF UNDERSTANDING LIABILITY INSURANCE RENEWAL**

Rep. Kottage stated that a memorandum of understanding was signed by both Union Presidents concerning trustee liability insurance. Board member decided not to renew the supplemental insurance policy.

B) **DISCUSSION OF DISABILITY ANNUITY APPLICATION PROCESS**

Rep. Kottage stated that the Board had previous discussion concerning the disability application process. He would like to look at the current process see if could be tightened. He believes the Board has the power to do this. Comm. Epstein suggested that they look at other funds and how their disability application process works. Mr. Sagnella stated that he would look into it.

7. **INVESTMENT REPORT**

Rep. Kottage read the terms of the FISCO agreement to the Board. He stated that they will be funded very soon.

Mr. Gray reviewed the investment performance report. He stated that as of July 31 the fund value was \$223 million and as of August 18, 2009 it was \$254 million and is headed in the right direction. He gave the Capital Market Report, stating that this is the longest and deepest recession this

country has ever had. They are looking a drop in the gross domestic product. The projected budget deficit in 2009 is \$1,841 billion this year, the biggest they have seen since WW II. The Federal Debt will approach 60% of GDP with the 2009 deficit. Unemployment has been a lagging statistic, meaning rates continued to move higher during the recession and peaked after the economy resumed positive growth. The Federal Reserve maintained the Fed Funds Rate at .25% during the quarter and reiterated their low rate intention for the foreseeable future. Mr. Gray further reviewed the U.S. equity market. He state that the S&P increased almost 16% in the second quarter and has risen 35% from the March lows.

Mr. Gray stated that the plan return was 11.63% for the second quarter versus the policy benchmark return of 11.99%. He further reviewed the individual managers. Fixed income was up 6.66% vs. 1.79% of the Lehman Aggregate. They currently have \$17 million in cash and would like to invest an additional \$10 million with Cooke & Bieler. Comm. Epstein questioned why the Board would approve more money for Cooke & Bieler when their performance has not made the benchmark against their universe in the past years. He questioned giving a current manager more money when their performance has been below the index. Mr. Gray stated that they have a higher quality portfolio than other managers. He would like to bring in their risk adjusted performance and show the Board their standard deviation over the long term.

Mr. Gray stated that Invesco cannot launch the product that was presented to the board last month and get the returns expected. Therefore, they will not be funded until that window of opportunity opens again.

The next regular meeting has been re-scheduled for September 25, 2009 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:

Mark Pietrosimone, Clerk

