

Minutes of Police Pension Plan Committee-Regular Meeting - January 19, 2012

Attendees: Shannon Drosnock, Lawrence Gregan, Supervisor Liaison Jeffrey McDonnell, Thomas Schatzman, James Kelly, Thomas Kowalski, Mark Webster, Maryann Hermann

Unable to Attend: Edward Davies, Ann Shade

The meeting was called to Order at 7:50 pm.

Mr. Schatzman provided the following regarding his investment fund analysis and economic review:

- The target allocation of the plan is 65/35 based on the 5 year cash needs of the plan.
- The plan has had a difficult year due to the small cap funds and funds invested in Europe – Harbor funds down 17% and Vanguard funds down 11%. However, both did have a good 4th Quarter.
- The funds are now comparable to benchmark where they were previously performing ahead of benchmark.
- Referring to page 3 of the handout – discussion of how much money is going into the plan, how much is coming out, the effect DROP has on the plan and the actuarial evaluation.
- The Goldman Growth Fund underperformed slightly since inception. It is a growth fund but is not heavily invested in Apple, Ebay etc.
- Lord Abbot managers are missing their benchmark mainly because they are heavily invested in the big banks. Their funds are starting to do well but are volatile.
- Regarding the Fixed Income funds – Pimco up 1%. This fund struggled in 2011 but overall does well – the underperformance of 2011 was related to the handling of the treasury investments.
- The Lumas group trailed in the 2011 fiscal year mainly because they buy bank bonds.

Motion to adjourn by Ms. Hermann, second by Mr. Kowalski. All approved.

Meeting adjourned at 8:20 pm.