

Minutes of Police Pension Plan Committee – Regular Meeting – July 16, 2015 @ 7:30 pm.

Attendees: Michael Jenkins, Shannon Drosnock, Thomas Schatzman, Thomas Kowalski, John Malley, Supervisor Liaison Jeffrey McDonnell

Unable to Attend: Lucy Gonzalez, James Kelly, Ann Shade

The meeting was called to Order at 7:35 pm.

Review of April Meeting Minutes

Tom Kowalski motioned to approve minutes; John Malley seconded the motion.

(Tom Schatzman's review of the market from the previously conducted meeting with the Money Purchase Pension Plan (401a) and Deferred Compensation Plan (457b) Committee).

Mr. Schatzman reviewed that the goal of the plan is to produce enough to pay benefits and cover required cash flow for 7-10 years out and second to that goal is to grow the fund to and beyond benchmark – performance is the key for the purpose of maintaining the needs of pension payroll.

Tom Schatzman went through the funds and the quarterly report and compared funds to their benchmarks.

Morgan Stanley is going to move forward with a recommendation to remove Lord Abbot and to move forward with another company. This will be the first replacement of a manager initiated on the Morgan Stanley/pension plan side as opposed to a manager naturally changing. The other company is a move to Boston Partners.

Discussion on Vanguard small cap - Vanguard won't own a stock that doesn't have earnings (Facebook, Amazon, Netflix). History has told us that it is really risky to invest in a company that doesn't make any money. Maybe that trend is changing but the trend is that it is not a good investment. Right now those companies mentioned are trading at 400* earnings - eventually people realize that is too expensive.

Tom distributed the information to the committee.

John Malley asked about expense ratio on Boston Partners – .43-.45.

Discussion on how the MMO is operating with the cash flow of the plan and how we continue to meet the goal of benefit payments – continue to discuss the reduction of the 8% to possibly the 7.5%.

Michael Jenkins inquired about negative cash flows for pension payments and employees in the DROP or retiring, etc.

No further business.

A motion to adjourn was made by John Malley.

Meeting adjourned at 7:55 p.m.