

Minutes of Police Pension Plan– Regular Meeting – January 19, 2017 @ 7:30 p.m.

Attendees: Jim Kelly, Tom Kowalski, Jeffrey McDonnell, Tom Schatzman, Ann Shade,
Unable to attend: Ami Tarburton, John Malley

Call to order at 7:50 p.m.

Review of Meeting Minutes

Minutes from the April 21, 2016 minutes were approved with a motion by Jim Kelly and seconded by Tom Kowalski. (The July 2016 meeting was cancelled, absent a quorum, thus no minutes to be approved).

Investment Portfolio Report

Tom Schatzman provided his investment summary and stated that we have had some underperformance.

Comparative Performance - p. 6 Goldman Sachs - We hold cash so that we can make payments, i.e., DROP to ensure that officers get that w/o having to sell stocks or bonds at a loss. Lord Abbott has really improved; we are a lot more comfortable with their strategy; they made some energy picks that were good.

Total Fund vs. Policy Index – since inception to 12/2016 - p. 8 '08-'09 – worst performance – this is really positioned to do well in a bad market; we don't want to take unnecessary risks. There is a little more cash than bonds as bonds sold off.

The biggest risk to a pension fund is when you are paying out a lot of money. When market is down, they have to sell out at a loss to pay out the lump sum pension.

Mike Jenkins asked a question as to why we don't have international funds; he mentioned that the April 2016 meeting speaks to international funds saying that we don't have those funds; Tom corrected his statement and said that we actually do have 10% international funds. He said that you are getting represented pretty well. At this point, we could add it, but what we would do to compensate for that. The Small Cap is just a 5% allocation.

Tom does not have any problem with the managers; he said that the plan looks good. Mike Jenkins as at what percentage is our plan funded? Tom said that it's in the low 80's. The average plan is in the mid 60's.

Mike Jenkins asked when we would have an actuarial study; Tom said that most likely would happen the 3rd quarter.

There being no further business, a motion was made by Mike Jenkins to adjourn the meeting, seconded by Tom Kowalski.

The meeting adjourned at 8:07 p.m.