

Minutes of the Police Pension Plan – Regular Meeting – October 17, 2019 @ 8:00 p.m.

Attendees: L. Gregan, T. Kowalski, J. Malley, T. Schatzman, A. Shade

Missing: D. Beaver, M. Jenkins, J. McDonnell

Call to order: 8:10 p.m. start of meeting.

Review of Meeting Minutes

Minutes from the April 25, 2019 meeting were approved with a motion by Tom Kowalski and seconded by John Malley.

New Business

None.

Investment Portfolio Report

Tom Schatzman of Graystone Consulting provided his investment summary for second quarter 2019 and reviewed the reports provided. In his summary he stated that, we have exceeded \$20M in assets. He stated that, unlike a lot of plans, we are cash-flow positive. There has also been no change in asset allocation and we have been underweight with international, which has been good.

In our comparative performance, Lord Abbott's long-term numbers have been okay. We had them on a watch list and over the past five (5) years they have cleaned up and we are seeing better numbers. Their belief is that the federal government will reduce rates and interest margin for banks will expand.

Loomis and Pimco have been doing well over the years. Harbor International, however, has been a bit of a disappointment. In our research watch list, we are recommending that we index this portion of the portfolio. John Malley questioned the rationale and inquired the option to explore another active manager in the place of Harbor. Mr. Schatzman stated that we are looking at total allocation of up to 10% of plan assets and that Harbor used to be the gold standard in international value investing; however, Harbor underperforms its benchmark and he recommends a low cost index fund to replace Harbor. The committee came to a consensus and agreed to recommend a change to the Board of Supervisors. There were no oppositions. Mr. Schatzman stated that he would provide a letter of recommendation.

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

The meeting adjourned at 8:30 p.m.