

Minutes of the Joint Special Meeting

Town and Police Pension Boards

July 15, 2014

Room 206 4:00 PM

CALL TO ORDER

The meeting was called to order by Jon Zagrodzky at 4:02 pm (Town Board Chair Kelly Galvin joined the meeting ten minutes later). Attendance was as follows:

- For the Town Board: Kelly Galvin (chair), Bruce Sargent, Jack Whitehead, Tony Yezzi, Jon Zagrodzky.
- For the Police Board: Kim Huffard, Paul Johnson, Lt. Ray Osborne (chair), Jon Zagrodzky. Absent: Tom Joyce
- Others: Kate Buch, Director of Finance; Nancy Markey, Director of HR

INVESTMENT MANAGEMENT REPORT

Bob Maurer and John Fiorelli gave an overview of recent investment performance. Highlights included:

- Total assets are roughly \$107 million (\$63 million Town, \$47 million police)
- Returns were slightly behind for Q4 of FY 2014 (ending June 30, 2014), with the weakest performance being in April
- Positive contributors were game console businesses; laggards included technology (the portfolio did not own Apple, which has been a star performer)
- The portfolio still owns attractively priced equities (based on earnings multiples), with positive P/E ratios, returns on equity (ROE) and business momentum
- The portfolio is 20% cheaper on a P/E basis than the overall market
- Note: Bob Maurer, Boston Partners' longtime representative for Darien, will be retiring at year-end; John Fiorelli will take over for him

DISCUSS AND TAKE ACTION ON RETIREMENT APPLICATIONS

Retirement applications were reviewed. Tony Yezzi made the following points:

- We need to update the form used for pension plan changes/terminations. The current form, for example, does not offer a rollover option
- Some work is required to sort out language differences in the governing documents (Town Charter and Pension Plan description). Kate Buch stated that some lawyers are developing proposals
- We need a more standard approach to interest calculations

Bruce Sargent approval of the Town applications; passed unanimously.

UPDATE ON ASSUMPTION REVIEW BY BUCK CONSULTANTS

Tony Yezzi and Jon Zagrodzky followed up on the proposal to Buck Consultants regarding their work on pension return and salary growth assumptions. Buck will be asked to start this work immediately, with a mid-September completion date. Tony was able to get Buck to lower its projected cost from \$25,000 to \$21,000.

DISCUSS PROCESS TO REVIEW RETIREMENT APPLICATIONS

There was a brief discussion of this review process. The main point was that extra review effort is needed for Board of Education employee applications.

APPROVAL OF MINUTES

The May 27, 2014 minutes were reviewed with one correction. Paul Johnson moved approval for Police Board; Bruce Sargent moved for the Town Board. The motions passed unanimously.

OTHER BUSINESS – ELECTION OF OFFICERS

Jon Zagrodzky moved going into Other Business for both Boards; passed unanimously.

- Kelly Galvin was nominated by Bruce Sargent for another term as Chair of the Town Board; passed unanimously.
- Lt. Ray Osborne was nominated by Paul Johnson for another term as Chair of the Police Board; passed unanimously.
- Jon Zagrodzky was nominated by Kelly Galvin for another term as Clerk for both Boards; passed unanimously.

ADJOURNMENT

There being no further business, Paul Johnson and Bruce Sargent moved to adjourn the Police and Town Boards respectively; passed at 5:02 pm.

Respectfully submitted,

Jon Zagrodzky
Clerk