

*Minutes of the Joint Meeting*

# **Town and Police Pension Boards**

**April 18, 2023**

4:00 PM

## **CALL TO ORDER**

The meeting was called to order by Kelly Galvin at 4:02 pm. Attendance was as follows:

- Town: Kelly Galvin, Eric Baurmeister, Fred Doneit, Paul Hendrickson (phone) and Tony Yezzi.
- Police: Mike DosSantos, Brent Hayes, Paul Hendrickson (phone) and Kim Huffard.
- Absent: Police – Kevin Cunningham
- Staff:
  - Town: Susan Barksdale, Director of Human Resources

## **INVESTMENT MANAGER REPORT (AGENDA ITEM #2)**

John Forelli, CFA, Director of Portfolio Research and Kara Pattipati, Relationship Manager at Boston Partners, joined the meeting to update the Board on recent market performance.

Highlights include:

- Combined assets under management as of 3/31/2022 totaled \$157.5million - \$100.4 million for the Town and \$57.1 million for the Police.
- First Quarter 2023 equity performance was -0.41% (gross of fees) and -0.57% (net of fees), versus benchmarks of +0.91% (Russell 3000 Value Index) and +7.50% (S&P 500 Index).
- First Quarter 2023 fixed income performance was +3.23% (net of fees) vs. +2.96% benchmark (Bloomberg/Barclays Capital Aggregate Index).
- For the first quarter, the equity portfolio has a five year Return on Operating Assets (OROA) of 48.0% vs. the benchmark Russell 3000 Value at 17.9% and the S&P 500 at 37.7%.
- The equity portfolio is primarily invested in large-cap (50%) and mid-cap (45%) value stocks, with small-cap (15%) stocks remaining underweighted. The portfolio remains heavily weighted towards financials and healthcare.
- Boston Partners' remains focused on relative valuation within the equity markets, rather than opining on the direction of the market, inflation and interest rates, as well as pressure from geopolitical events.

Boston Partners representatives departed at 4:37 pm.

**REPORT OF QUARTERLY INVOICES / EXPENDITURES (AGENDA ITEM #3)**

The Board had no questions on quarterly invoices and expenditures.

**DISCUSS AND TAKE ACTION ON RETIREMENT APPLICATIONS (AGENDA ITEM #4)**

Eric Baurmeister and Kim Huffard moved for approval of all Town retirement applications; passed unanimously.

**NEW BUSINESS - REVIEW OF DEATH AUDIT PROCESS (AGENDA ITEM #5)**

The Town and Milliman reviewed the Death Audit process, including the appropriate frequency of audits per year, and the costs associated with a potentially reduced number of audits. The Town proposed moving from monthly to quarterly audits, as the Town has the ability to recall three months of payments upon learning of a previously unreported passing of a retiree or death benefit recipient. Milliman confirmed the price per audit will remain the same, Eric Baurmeister and Kim Huffard moved for approval of the change to quarterly audits; passed unanimously.

**APPROVAL OF MINUTES (AGENDA ITEM #6)**

Kim Huffard (Police) moved for approval of the 10/11/22 and 01/10/23 minutes. Tony Yezzi (Town) moved for approval of the 01/10/23 minutes, passed unanimously.

**ADJOURNMENT (AGENDA ITEM #7)**

Eric Baurmeister and Kim Huffard moved adjournment at 4:44pm; passed unanimously.

Prepared by: Karen Dunn

*Next meeting: Tuesday, July 18, 2023*