

Minutes of the Joint Meeting

Town and Police Pension Boards

July 18, 2023

4:00 PM

CALL TO ORDER

The meeting was called to order by Kelly Galvin at 4:03 pm. Attendance was as follows:

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

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 6/30/2022 totaled \$159.4million - \$101.8 million for the Town and \$57.6 million for the Police.
- Second Quarter 2023 equity performance was +4.63% (gross of fees) and +4.46% (net of fees), versus benchmarks of +4.03% (Russell 3000 Value Index) and +8.74% (S&P 500 Index).
- Second Quarter 2023 fixed income performance was -0.87% (net of fees) vs. -0.84% benchmark (Bloomberg/Barclays Capital Aggregate Index).
- For the second quarter, the equity portfolio has a five year Return on Operating Assets (OROA) of 47.9% vs. the benchmark Russell 3000 Value at 16.8.9% and the S&P 500 at 36.2%.
- The equity portfolio is primarily invested in large-cap (47.6%) and mid-cap (46.9%) value stocks, with small-cap (5.5%) stocks remaining underweighted. The portfolio remains heavily weighted towards financials and healthcare.
- Asset allocation has moved from the maximum equity weighting of 60% to 56.6%, given the more attractive yields in the bond market, and the greater volatility in the equity market. Portfolio turnover was only 3% in the last quarter.

Boston Partners representatives departed at 4:33 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)

Tony Yezzi and Kim Huffard moved for approval of all Town and Police retirement applications; passed unanimously.

APPROVAL OF MINUTES (AGENDA ITEM #5)

Kim Huffard and Tony Yezzi (Town) moved for approval of the 04/18/23 minutes, passed unanimously.

ADJOURNMENT (AGENDA ITEM #7)

Tony Yezzi and Mike DosSantos moved adjournment at 4:36pm; passed unanimously.

Prepared by: Karen Dunn

Next meeting: Tuesday, October 10, 2023