

## **TOWN OF MADISON EMPLOYEE RETIREMENT BOARD MEETING**

**Date:** 2/17/16

**Regular Board:** Al Goldberg, Chairman

**Robert Newman**

**Jim Matteson**

**Judith Friedman**

**Present:** **Judith Friedman**

**Robert Newman**

**Jim Matteson**

**Al Goldberg**

**Cheryl Kuszpa**

**Wells Fargo Advisors: Michael Lepore**

**Fire Retirement Board**

**Police Pension Board**

**Business:** **Presentation by Wells Fargo Advisors**

**Regular Quarterly meeting**

**Jim Matteson motions to approve the minutes from the November 18, 2015 meeting. Judith Friedman seconds. Motion passes 4-0.**

**Michael Lepore provided a market update and a recap of the quarter's performance. He noted that Oil, China and Federal Policy all played a primary role in the last quarter of 2015. The price of oil is down which causes a rippling effect on other high yield investments. Consumers feel the savings and increase their spending. Approximately 2/3 of the economy is driven by consumer consumption. When the consumer is happy the economy increases. China's growth rate has been declining; however, in the long term, Mr. Lepore feels it will not be a problem.**

**Jim Matteson expressed his concern that the actuary yield appears to be too high currently. He feels that it should be more in line with the Fire Benefit Actuary yield of 6%. Mr. Newman asked Al Goldberg to reach out to the Actuary.**

**Mr. Lepore discussed his Team's findings on the Wentworth Replacement search. Wentworth funds have been facing challenges with its participation in energy funds. The Founder is also retiring at the end of the month and he is being replaced with a team of young, inexperienced managers. Mr. Lepore feels that it is time to move away from this fund. Mr. Lepore recommends that the Plan eliminate Wentworth and replace it with a combination of Lazard and TransAmerica. This will increase investment costs. If**

**the Plan is concerned with the cost increase, Mr. Lepore recommends the funds be transferred to Vanguard. Mr. Newman makes a motion to replace Wentworth with Vanguard. Ms. Friedman seconds the motion. Motion passes 4-0.**

**Mr. Lepore discussed alternative investment options with the Board. Alternative investments are investments that are not traditional stock, bond or cash investments. They consist of REIT's, commodities, private equity and hedge funds. Generally, the people that have benefitted the most from these funds are top managers. At this time, it was discussed and the Board feels that these investments will not benefit the Plan.**

**Meeting adjourned at 10:20.**

**Respectfully submitted,**

**Cheryl Kuszpa**

**Assistant Director of Finance**

## **MINUTES**

### **TOWN OF MADISON FIRE BENEFIT COMMITTEE MEETING**

**Date: 2/17/16**

**Regular Board: Al Goldberg, Chairman**

**Robert Newman**

**Jim Matteson**

**Joe Maco**

**Judith Friedman**

**David Newton**

**Present: Judith Friedman**

**Robert Newman**

**Jim Matteson**

**Al Goldberg**

**Joe Maco**

**Dave Newton**

**Cheryl Kuszpa**

**Wells Fargo Advisors: Michael Lepore**

**Police Retirement Board**

**Town Pension Board**

**Business: Presentation by Wells Fargo Advisors**

**Regular Quarterly meeting**

**Bob Newman motions to approve the minutes from the May 20, 2015 and November 18, 2015 meetings. Jim Matteson seconds. Motion passes 6-0.**

**Michael Lepore provided a market update and a recap of the quarter's performance. He noted that Oil, China and Federal Policy all played a primary role in the last quarter of 2015. The price of oil is down which causes a rippling effect on other high yield investments. Consumers feel the savings and increase their spending. Approximately 2/3 of the economy is driven by consumer consumption. When the**

consumer is happy the economy increases. China's growth rate has been declining; however, in the long term, Mr. Lepore feels it will not be a problem.

Mr. Lepore noted that the Plan has performed within expectations. The current asset allocation is 52/48 and the target is 55/45. Mr. Lepore noted that the Board may want to consider rebalancing at this time, but it is not necessary as the allocation is within 5% of the Target Plan. Ms. Friedman feels the market is too volatile at this time to rebalance, Mr. Newton, and Mr. Newman agree. Al Goldberg asks Mr. Lepore to make a recommendation at the next meeting.

Mr. Lepore discussed alternative investment options with the Board. Alternative investments are investments that are not traditional stock, bond or cash investments. They consist of REIT's, commodities, private equity and hedge funds. Generally, the people that have benefitted the most from these funds are top managers. At this time, it was discussed and the Board feels that these investments will not benefit the Plan.

Meeting adjourned at 10:20.

Respectfully submitted,

Cheryl Kuszpa

Assistant Director of Finance

## MINUTES

### TOWN OF MADISON POLICE PENSION COMMITTEE MEETING

**Date:** 2/17/16

**Regular Board:** Al Goldberg, Chairman

Robert Newman

Jim Matteson

Joe Race

Judith Friedman

**Present:** Judith Friedman

Robert Newman

Jim Matteson

Al Goldberg

Joe Race

Cheryl Kuszpa

Wells Fargo Advisors: Michael Lepore

Fire Retirement Board

Town Pension Board

**Business:** Presentation by Wells Fargo Advisors

Regular Quarterly meeting

Joe Race motions to approve the minutes from the November 18, 2015 meeting. Al Goldberg seconds. Motion passes 5-0.

Michael Lepore provided a market update and a recap of the quarter's performance. He noted that Oil, China and Federal Policy all played a primary role in the last quarter of 2015. The price of oil is down which causes a rippling effect on other high yield investments. Consumers feel the savings and increase their spending. Approximately 2/3 of the economy is driven by consumer consumption. When the consumer is happy the economy increases. China's growth rate has been declining; however, in the long term, Mr. Lepore feels it will not be a problem.

Jim Matteson expressed his concern that the actuary yield appears to be too high currently. He feels that it should be more in line with the Fire Benefit Actuary yield of 6%. Mr. Newman asked Al Goldberg to reach out to the Actuary.

**Mr. Lepore discussed his Team's findings on the Wentworth Replacement search. Wentworth funds have been facing challenges with its participation in energy funds. The Founder is also retiring at the end of the month and he is being replaced with a team of young, inexperienced managers. Mr. Lepore feels that it is time to move away from this fund. Mr. Lepore recommends that the Plan eliminate Wentworth and replace it with a combination of Lazard and TransAmerica. This will increase investment costs. If the Plan is concerned with the cost increase, Mr. Lepore recommends the funds be transferred to Vanguard. Mr. Newman makes a motion to replace Wentworth with Vanguard. Ms. Friedman seconds the motion. Motion passes 5-0.**

**Mr. Lepore discussed alternative investment options with the Board. Alternative investments are investments that are not traditional stock, bond or cash investments. They consist of REIT's, commodities, private equity and hedge funds. Generally, the people that have benefitted the most from these funds are top managers. At this time, it was discussed and the Board feels that these investments will not benefit the Plan.**

**Meeting adjourned at 10:20.**

**Respectfully submitted,**

**Cheryl Kuszpa**

**Assistant Director of Finance**