

MINUTES

TOWN OF MADISON EMPLOYEE PENSION COMMITTEE

May 18, 2016

Present:

Robert Newman	Judith Friedman	Jeremy Yorke
Jim Matteson	Joseph MacDougald	Joe Maco
Al Goldberg	Michael Lepore	
Dave Newton	Cheryl Kuszpa	

Al Goldberg calls the meeting to order at 8:04 AM.

Bob Newman motions to approve the minutes from the February 17, 2016 meeting. David Newton seconds. Minutes are approved 5-0.

Michael Lepore provides a brief market overview. He noted that the 1st quarter of 2016 was very volatile. The Chinese market devaluation affected our economy negatively. However, the Market was able to rebound during the month of February and the Plan ended up roughly where it started in January. Energy prices bottomed out and stabilized during the quarter. Mr. Lepore also noted that currently 25% of the worldwide government bonds are paying a negative yield and that the world's yield environment is very low.

Michael Lepore reported that the Plan is performing as expected. However, he did note that his Firm is recommending its clients move away from Neuberger funds and consider investing in Black Rock High Yield Funds. He stated that it was not imperative that the Board make a decision to do so today, but he felt they may want to consider placing the fund on a "watch" list. The Black Rock funds' costs are approximately 9 basis points less than Neuberger. Mr. Lepore noted that in the Short term, Neuberger has been outperforming Black Rock but the Long Term performance of the fund is not consistent. The Board discussed this recommendation. Mr. Newman and Ms. Friedman felt that they would like to revisit it at the next meeting and see how the funds continue to perform. Mr. Maco felt the Board should act on Mr. Lepore's recommendation. Jim Matteson agreed with Mr. Maco. Al Goldberg suggested that the Board act cautiously and place Neuberger on a watch list and discuss further at the next meeting. Mr. Goldberg asked Mike Lepore to prepare a search for the next meeting.

Mr. Lepore presented the Board with the Amendment to the Historical Investment Policy for the Plan as voted on at the November meeting. Al Goldberg makes a motion to accept the amendment to the Historical Policy as approved during the November meeting, unless there is any objection by the current members of the Board by May 25th, upon review of the Amendment. Joe Maco seconds. Motion approved. Mr. Goldberg asked Cheryl Kuszpa to send the Amendment out by email to all members after today's meeting.

The Committee reviewed the email presented by Ms. Sielman, the Town's Actuary, in regards to the Actuarial assumed rate of return. The Board felt that they needed more information and would like to set up a teleconference with Ms. Sielman at the next meeting. They would like to know the monetary effect on the Town's required contribution if the assumed rate of return is decreased.

Meeting Adjourned at 10:13AM.

DRAFT

MINUTES

TOWN OF MADISON FIRE BENEFIT COMMITTEE

May 18, 2016

Present:

Robert Newman	Judith Friedman	Jeremy Yorke
Jim Matteson	Joe Maco	Joseph MacDougald
Al Goldberg	Michael Lepore	
Dave Newton	Cheryl Kuszpa	

Al Goldberg calls the meeting to order at 8:04 AM.

Bob Newman motions to approve the minutes from the February 17, 2016 meeting. David Newton seconds. Minutes are approved 6-0.

Michael Lepore provides a brief market overview. He noted that the 1st quarter of 2016 was very volatile. The Chinese market devaluation affected our economy negatively. However, the Market was able to rebound during the month of February and the Plan ended up roughly where it started in January. Energy prices bottomed out and stabilized during the quarter. Mr. Lepore also noted that currently 25% of the worldwide government bonds are paying a negative yield and that the world's yield environment is very low.

Michael Lepore reported that the Plan is performing as expected. He does not recommend any changes at this time.

Mr. Lepore presented the Board with the Amendment to the Historical Investment Policy for the Plan as voted on at the November meeting. Al Goldberg makes a motion to accept the amendment to the Historical Policy as approved during the November meeting, unless there is any objection by the current members of the Board by May 25th, upon review of the Amendment. Dave Newton seconds. Motion approved. Mr. Goldberg asked Cheryl Kuszpa to send the Amendment out by email to all members after today's meeting.

Meeting Adjourned at 8:37AM.

MINUTES

TOWN OF MADISON POLICE PENSION COMMITTEE

May 18, 2016

Present:

Robert Newman	Judith Friedman	Joe MacDougald
Jim Matteson	Jeremy Yorke	Dave Newton
Al Goldberg	Michael Lepore	Deb Milardo
Joe Maco	Cheryl Kuszpa	

Al Goldberg calls the meeting to order at 8:04 AM.

Bob Newman motions to approve the minutes from the February 17, 2016 meeting. David Newton seconds. Minutes are approved 6-0.

Michael Lepore provides a brief market overview. He noted that the 1st quarter of 2016 was very volatile. The Chinese market devaluation affected our economy negatively. However, the Market was able to rebound during the month of February and the Plan ended up roughly where it started in January. Energy prices bottomed out and stabilized during the quarter. Mr. Lepore also noted that currently 25% of the worldwide government bonds are paying a negative yield and that the world's yield environment is very low.

Michael Lepore reported that the Plan is performing as expected. However, he did note that his Firm is recommending its clients move away from Neuberger funds and consider investing in Black Rock High Yield Funds. He stated that it was not imperative that the Board make a decision to do so today, but he felt they may want to consider placing the fund on a "watch" list. The Black Rock funds' costs are approximately 9 basis points less than Neuberger. Mr. Lepore noted that in the Short term, Neuberger has been outperforming Black Rock but the Long Term performance of the fund is not consistent. The Board discussed this recommendation. Mr. Newman and Ms. Friedman felt that they would like to revisit it at the next meeting and see how the funds continue to perform. Mr. Maco felt the Board should act on Mr. Lepore's recommendation. Jim Matteson agreed with Mr. Maco. Al Goldberg suggested that the Board act cautiously and place Neuberger on a watch list and discuss further at the next meeting. Mr. Goldberg asked Mike Lepore to prepare a search for the next meeting.

Mr. Lepore presented the Board with the Amendment to the Historical Investment Policy for the Plan as voted on at the November meeting. Al Goldberg makes a motion to accept the amendment to the Historical Policy as approved during the November meeting, unless there is any objection by the current members of the Board by May 25th, upon review of the Amendment. Jeremy Yorke seconds. Motion approved. Mr. Goldberg asked Cheryl Kuszpa to send the Amendment out by email to all members after today's meeting.

The Committee reviewed the email presented by Ms. Sielman, the Town's Actuary, in regards to the Actuarial assumed rate of return. The Board felt that they needed more information and would like to set up a teleconference with Ms. Sielman at the next meeting. They would like to know the monetary effect on the Town's required contribution if the assumed rate of return is decreased.

Deb Milardo, Town Director of Human Resources, discussed a request by former Officer Hedges to buyback military time. The Police Pension allows for an employee to buy back up to four years of military time. Mr. Hedges' employment with the Town was terminated in 2008. The Plan clearly states that the party requesting the buyback must be an employee. Based on the verbiage of the Plan, Bob Newman motions to deny Mr. Hedges' request to buyback military time because the Plan clearly states that the request must be made by an employee and Mr. Hedges is no longer an employee of the Town. Judith Friedman seconds this motion. Motion passed 6-0.

Meeting adjourned at 10:13 AM.

Meeting Adjourned at 10:13AM.