DEPARTMENT OF CITY CLERK

CITY HALL

FEBRUARY 23, 2012

The Board of Investment Commissioners meets this day at 12:00 o'clock P.M., in The Conference Room, Third Floor, City Hall.

PRESENT: Mayor Angel Taveras, Michael Paris, Finance Director; James J. Lombardi, III, City Treasurer, Aaron Simon and Ted Mocarski – 5.

ABSENT: Councilman John J. Igliozzi – 1.

Also present are Kenneth Chiavarini, Senior Assistant City Solicitor, Law Department; Eric Bertonazzi, Wainwright Investment Counsel LLC; Jeffrey D. Fabrizio, Wainwright Investment Counsel LLC; Gonzalo Cuervo, Mayor's Office; Michael D'Amico, Chief of Staff, Mayor's Office; Karen Gomez; Parks Department; Anna M. Stetson, City Clerk and Sheri A. Petronio, Assistant Clerk.

ELECTION OF VICE-CHAIRPERSON

Mayor Taveras calls for nominations for Vice-Chairperson of the Committee.

Michael Pearis nominates James J. Lombardi and the nomination is seconded by Aaron Simon.

Mayor Taveras calls for further nominations and there being none, the Clerk is directed to cast one ballot for James J. Lombardi as Vice-Chairman of the Committee.

I ELECTION OF A VICE-CHAIRPERSON

II INVESTMENT PERFORMANCE ANALYSIS

1.) Recent Performance Estimate

2.) Portfolio Structure and Performance Summary: Asset Class

3.) Manager Performance: Benchmark vs. Manager Analysis

A.) US Equity Managers
B.) International Equity Manager
C.) Fixed Income Managers

III DISCUSSION RELATIVE TO THE DEXTER DONATION FUND AND OTHER TRUST ACCOUNTS INCLUDING THE CASH BALANCE OF THE FUNDS

IV DISCUSSION RELATIVE TO REPLACING FORREST INVESTMENT MANAGEMENT

V REQUEST OF ROBERT F. MCMAHON, SUPERINTENDENT OF PUBLIC PARKS, TO TRANSFER $30,000.00 FROM THE SAMUEL TINGLEY TRUST FUND TO THE EXPENDABLE ACCOUNT (809) FOR PONDS STUDY AND PLAN IN ROGER WILLIAMS PARK.

VI REQUEST OF ROBERT F. MCMAHON, SUPERINTENDENT OF PUBLIC PARKS, TO TRANSFER $150,000.00 FROM THE NORTH BURIAL GROUND TRUST FUND TO THE EXPENDABLE ACCOUNT (801) FOR OPERATING EXPENSES AND LANDSCAPING CAPITAL IMPROVEMENTS.

MAYOR TAVERAS: The second item on the agenda is Investment Performance Analysis. Could you identify yourself for the record.

MR. BERTONAZZI: Thank you, Mayor. I'm the President of Wainwright Investment Council and I have been the consultant to the Board of Investment Commissioners since 1996. So, I've been here a while and have an update for you to pass along. The front page of your package that I have given you is the most recent update of the performance of the portfolio. I tend to go there first. This month, being early in the year and not having our meeting last month, I also have what happened for you in the previous calendar year, which I'll go over in any order you would like. I can start with year-to-date, which is very strong and I'll go quickly so that we will have time for questions. As you look down there the year-to-date column, the portfolio is up 6½% year-to-date through Tuesday, February 21st, very strong equity returns this past month and a half or so. The reason is some stability very recently in Europe. So, that stability in Europe, the bail out deal in Greece, following bond yields for Italy and Spain, etc., had reduced risk premiums that the market once used and that has helped the equity markets in the United States and abroad and our portfolio perform a good bit better. The markets have been very volatile. They were down a lot the middle of last year, up a lot in October, down again and up a lot lately. I expect to see more of that. You can see what the values are in the portfolio and what the returns have been. The equities are leading the way right now. Many of them are up more then 10%, 9%, 10%, 11%, 12% year-to-date. Bonds chugging along slowly as you might expect of 1.2% at Loomis. For example, hedge funds up a couple of percent. So, across the board pretty pleased with the way the performance is so far this year, but I predict we will have some volatility going forward. I think we're going to get ups and downs again both for political reasons. We have elections both in Europe and in the United States, which are going to effect, I think, the market's perception of risk and the outlook as well, as we just have continuing sluggish recovery from the financial crisis of 2008. So, I expect to see more of this volatility and I think you should too, and certainly our managers acting with that in mind. If I don't have any questions about January or February's performance, I will go to last year because it's important that you quickly, I think, get an update on last year since we missed January's number. So, if you look at the second page you will see that the portfolio for the year made 2½%. That actually beat the S&P 500, which was up 2.1%. I will cover it more in a moment, but that actually puts you in the top 10% of all public pension plans last year according to the State Street Universe, which I will go over in more detail. It's a page coming up in your packet. You were up in the top 10% last year and your rankings are very high over the longer timeframe, which I will discuss. Actually, while there is only 2.5% relatively speaking you did quite well against your peers. Again, the market was very volatile last year. You can see for example if you look at our equity managers, look at Brandes, for example, about half way down the page, that's the international equity manager, they lost 9.6% last year. One of our best performing mangers over the long run, yet clobbered last year. That's Europe, that's the international sphere. Those places got hit pretty bad. You will see our domestic managers were far smaller losses or some small gains. That's quite common for the United States managers last year. They lost a little bit or gained a little bit. Our bond manager made 6½%, that's actually a very good year. We should be happy about that, but what helped us a great deal last year, and I would like to sort of put that thought in your minds for later in the discussion, if you go down to the very last manager listed Renaissance Institutional Equity Fund, that's one of our hedge funds. It made 34½% last year. Very helpful to the return of the portfolio last year. Uncorrelated behavior, remember that term, I will be bringing it up again later. So, one of the reasons why we hire managers like that is hopefully in periods of down markets or sluggish markets or flat markets maybe they can help us. Last year they did, it really helped us a lot.

MR. SIMON: Is this a long/short?

MR. BERTONAZZI: It's a long/short, yes. It's very massively diversified perhaps a thousand long positions in the portfolio, six, seven or eight hundred long positions. Actually, most of the money they made last year was on their short positions, positions they expected to go down in value, and they profited off of those prices when they went down. That's exactly why we had it. So, that helped us a great deal. As you can see it's about 10% of the portfolio. So, one way to think about that is that fund alone contributed about three percentage points to the overall portfolio. So, if it were flat the whole fund would have been three percentage points weaker in return for the year. That's what I mean by focusing on that. So, one of the things that drove our returns last year and in previous years held us back, but last year it helped us a great deal. I wanted to point that out to you.

MR. SIMON: Eric, is Quellos the convertible arbitrage?

MR. BERTONAZZI: No, Quellos is a broadly diversified fund of funds. So, many hedge funds inside of that.

MR. SIMON: Didn't we have one that was a convertible arbitrage.

MR. BERTONAZZI: We did and we terminated them quite a while ago based on assets leaving that fund. The returns were actually fine, but it was projecting in the future. I didn't think that the organization was going to maintain it's coherence because I thought some senior people might leave based on assets coming out of that strategy. Although their returns were actually fine, it was more of a prospective termination.

MR. MOCARSKI: If you look at 13½% allocation to the uncorrelated asset class, is that a high or low allocation do you think.

MR. BERTONAZZI: Well, relative to your peers in the public pension world, it's probably a little higher than average. Hedge funds are still relatively new to the public pension space. Although that's changing. I'm actually going to recommend today that we add another manger to that space and increase that exposure to replace Forrest because we pulled that money from them. So, I would like to increase by a couple of percent, not a big move, but by a couple of percent, but that is the answer there. We have been recommending hedge funds to all clients as a small portion, depending on their structure in the portfolio, for quite a long time for many years and in recent years the last five years especially many of the public pension plans are either just getting into that space or increasing it from a very small position and becoming more comfortable with it. I feel it's been very helpful to the portfolio over the years.

MR. SIMON: We discussed this, but I can't remember what ended up happening with this. We talked about Brandes is strictly developed international. There is no emerging market.

MR. BERTONAZZI: That was true at one time, but back in June on our recommendation, and partly because of some ideas you brought up the board voted to allow Brandes to invest in emerging markets and in fact today we're getting the signature to do so to adjust those guidelines. So, up to 1½% of the portfolio will be in emerging markets now.

MR. SIMON: 1½% of ours?

MR. BERTONAZZI: Of the entire portfolio. Up to 10% of their portfolio and up to 1½% of the overall portfolio would be in emerging markets, which we were pleased that the board voted in that manner. If it's okay I will move to the next page of your packet and this is your rankings. These data are not provided by us, they are provided by State Street Bank perhaps the largest custodial bank in the world, and I will explain it to you. I want you to read the footnotes up at the top there, the explanatory notes. State Street creates a universe, which has $1.2 trillion dollars worth off assets in it with currently about 130 to 140 plans in that universe. So, it's a very large sample of the public pension plan universe, $1.2 trillion dollars. So, it's pretty big and it's a good universe to judge yourself against. It's big enough to get a very good large sample of what goes on in the country. What you see are your rankings and your returns over that timeframe. So, I tend to look at the longer timeframes as opposed to the shorter timeframes. By the way, last year you were in the top ten percent. It's not on this graph, but you were. I don't tend to pay too much attention to the one year rankings because they're very volatile, but nonetheless you were in the top 10% last year. If you look at you longer term rankings, you will see you're in the top 7% of all pensions plans over ten years, top 13% over seven years, top 26% over five, it's not on here, but you're in the top 13% over three years if you're wondering. So, you're relative performance against your peers is actually quite strong and it's quite strong across all timeframes, which is something we're proud of and I think the board should take some credit for it. Remember over the last seven to ten years or longer you had two gigantic bear markets. In the early 2000s when the tent bubble collapsed and of course 2008, which was the greatest financial crisis since the great depression, and yet still you’re rankings are very high relative to your peers and your downside volatility, the loses that you experienced during that time is actually lower then your peers as well, although you don’t see it on this group, but by having very high rankings over one, three, five, seven and ten years that shows you that you’re consistently doing better then your peers in all environments. Some good times, some average times, some horrible time as well. That’s what I think you should take from those data. I also have if you’re interested, we don’t have to go over it now, but I have an additional handout for you. The performance relative to the state. In the past, per the request of the board, it was asked that we compare your performance to the State of Rhode Island. So, we did so and we have handed this out once a year since. What you can see is, is that these are your net returns verses the state by year going back to 2000. That’s when we were requested to do it. It’s an interesting timeframe because it has the two big bear markets in there 2001 and 2002 and 2008, and you can see what you’ve done verses the state and what the difference is. We have annualized those returns for you at the bottom of the page, three and five year period. So, if you looked at that difference column, you will see that we have beaten the state in nine of the last twelve years. We beat them four years in a row, and in fact over the last three years, the last line down there for example from January 1, 2009 to December 31, 2011, you’re annualized return, net of all fees is 12.9% and from the state it’s 10.4%. You’re at 2.3% over five years per year verses 1.4% for the state and 5.1% verses 3.5% over that entire period. Now, it may not look like much 1.6% per year compounded, but that’s a big number, that’s a very big number. In fact, one way to think about it is I have done some back of the envelope calculations and had the State of Rhode Island been doing the same return that your portfolio has over that time period, they would have somewhere between a half a billion to a billion extra dollars in the plan right now. It’s hard to know exactly because it depends on inflows and outflows of cash and it’s very complicated so I cannot tell you with more specificity. I will need a ton of data to give you an exact number, but where they have seven and a half billon or so in the plan right now 1.6% per year compounded for twelve years like that, that's a lot of money. So, in our own world that makes a lot of difference. That means many tens of millions or more to you and many hundreds of millions or more to them over time like that. So, I thought it was important to give you that because it's been requested and also to compound. Any questions there? The last couple of pages in your report, something that was also requested of us to provide to the board so we had been doing it on a yearly basis. I have also gone over this with Michael on the phone. This shows the contributions of the city by year to the portfolio and the withdrawals from the portfolio in order to pay benefits. Now, it should be noted this is not all of the money that the city necessarily contributes to the pension because some of that money doesn't get into the portfolio. It might be put into the account and taken out right away and that type of thing, but this is the money that actually comes in and when it goes out, and we also provide you a percentage of the portfolio on net that comes out of the portfolio. So, if you look at it, sometimes it's 4%, sometimes it's 1%, sometimes it's 10% . In the year 2009, for example, 10½% more of the portfolio when out for benefit purposes then was able to be contributed by the city. It also lets you know for example how the monthly draws have changed over time and have grown over time. Currently, and this is a question I was hoping to ask this board or maybe to get some help to understand the answer, currently, we're taking 7½ million a month out of the portfolio in order to meet benefit payments. That's a $90 million dollar run rate per year right now on a portfolio that's essentially $300 million dollars. So, right now that's a pretty big burn on the portfolio. Now, you will see from you data on the very last page that that number has jumped up from about 6½ million and I know there was some earlier retirements etc. towards the end of last year. I don't know to what degree this new 7½ number is more temporary based on some other retirements and some temporary cash flows or to what degree that could be more permanent. The reason I ask is, is it's important for us to advise you based on that number because as we try to rebalance the portfolio and keep it to our target level, this burn rate on the portfolio is critically important. By way of mechanics we tend to take the money that the city needs from the bond manger. They're the most liquid and they're designed to, that's the smart thing to do. They know that every month we're going to be asking for money. We've been doing it for fifteen years or more. However, the larger and larger those monthly withdrawals become the quicker and quicker you burn down the fixed income portion of the portfolio throughout the year before the city has a change to make its one time contribution, which it did and it was a very large contribution last year in the October timeframe. So, it's important for us in advising the city and this board with respect to rebalancing is to know and have some clarity if it is at all possible as to the size and frequency of these withdrawals to make these payments. The bigger they are, the more likely I will have to recommend to this board sometime in the spring or summer to rebalance. That is take some money from equity and give it back to the bond managers so that our allocation is where it should be and we get it back to balance and then you start to burn it down again. So, the frequency with which we replenish the bond manger is a function of returns of the money and how big the burn rate is.

MAYOR TAVERAS: May I ask the Vice-Chairman, Mr. Pearis and Mr. D'Amico in trying to find that out so we can provide that information to you.

VICE-CHAIRMAN LOMBARDI: Do you want an answer today?

MR. BERTONAZZI: No, it's no hurry. It would just be helpful.

MR. D'AMICO: I can tell you that that $90 million that you quoted that's the right number.

MAYOR TAVERAS: I do have a question for you Eric. I noticed that these payments, contributions from the city are in October and I noticed that you gave us from October 2005. Do you know when those payments started to be made in

October? I've heard different things in terms of that they've been made that way for a long time, that actually it started in the last eight to ten years then we started making the payments in October. Do you have any knowledge of those payments?

ERIC BERTONAZZI: I could get those data for you precisely by checking our records, but it is my recollection that it sort of has migrated a little further out into the year as time goes by. It use to be sort of we were getting the money in September or a little before that and way back in the 90s we probably got it in the summer, but in the last several maybe six or eight years it's been sort of the September/October timeframe. Late September early October.

MAYOR TAVERAS: If we could just find out. I mean what I'm curious about is I understand we budgeted for this fiscal year that the payments made in the next fiscal I would like to know if at all possible if it's not to much work for you when that started in terms of the payments being made after July.

MR. BERTONAZZI: Absolutely, that would be no problem. We can get that to you quite quickly. It's just a matter of checking the records.

MAYOR TAVERAS: Thank you.

VICE-CHAIRMAN LOMBARDI: Mr. Chairman, just one funny thing is that going back when we use to write checks they use to be dated 6/30 and Alex used to hold them in the draw for a while. That's the way it used to be done. Now that's it's wired you know exactly when it's done.

MR. MOCARSKI: Mr. Chairman, can I ask you a question and this helpful just to give us perspective as we sit on the investment commission and we try to offer some advice and so forth. It sounds like there is a dual purpose that we have to be thinking about right now, which is not only long term appreciation in order to support the retirement system, but there is a liquidity consideration, that that's really a new element that we have to take into account. I bring that up for instance because one can construct the argument. This is a nice time to maybe put some money in to buy out the fund to funds or something like that that would take a longer term view because values are down and other hand that's a ten year window on liquidity in some respects. It may not be the most prudent decision to make right not. So, it would helpful to maybe get a perspective where should be weighing our emphasis I guess. Is it the liquidity side or the long term appreciation side.

MAYOR TAVERAS: Well, I think that's a great question and it goes into something else that I wanted to talk with you about and that is I think we need to get together as an investment commission and sit down and think about some of our responsibilities and how to analyze this. Of course we want the advice of our expert, but also as board members or as commission members we all have responsibilities, and you've said that's never happened where we've sat down to go through our fiduciary responsibilities and some training relative to that. So, it's something I think that we should do. I would like to hear what Eric has to say relative to where he thinks we should concentrate that on.

MR. BERTONAZZI: I have traditionally kept the illiquid recommendations that we make to a small amount. As you can see, our private equity sums right now to less than 1½%. I have some thoughts about the future of increasing that a little bit because the long term returns are there, but your intuition is correct and that is we need liquidity. So, I've tried to take some, in my recommendations to the board, to take that into account by trying to jiggle the rest of the portfolio a little bit with small cap, which has higher beta and that type thing and it's worked out very well. I think about that a lot. For example, we have about thirteen plans in the Massachusetts and New England area that are similar and no other plan that we work on has the burn rate of this portfolio. So, when I make a recommendation to the plan, I'm thinking about the burn rate of Loomis Sayles and what that means, and the burden that is on the city, etc., and constantly trying to juggle those balls, and think about and time recommendations and rebalancing etc. based on that. Liquidity is a huge issue for this portfolio. Again, we're talking about 30%

or more of the portfolio is going to walk out the door this year. Now, of course, there is going to be a contribution to net that down to a lot smaller amount, but that's still relative to other pension plans out there, that's very large. In fact, I'm not sure I know any others that are like that. There are some that are close and when you couple that with your funded ration, which is quite low I think a lot about that in my recommendations because there is this sort of thing we call sensitivity analysis and the portfolio is becoming more and more sensitive to bad times. For example, we have approximately $300 million dollars in the portfolio, back in the late 90s we had approximately $300 million dollars in the portfolio even though we've had quite solid returns over that timeframe. The portfolio hasn't grown in dollars because of the burn rate. Well, back in the 90s we were taking a million and a half or two million a month out of the portfolio. So, while that was large the size of a million and a half or two million relative to $300 was a lot smaller than seven and a half million is right now. So, the bigger and bigger the burn rate gets the more sensitive we are to bad times, the harder it is for the dollar value of the portfolio to recover when good times come because it's been bogged down and shrunk by the spending rate. So, this is something I think about with respect to this portfolio constantly.

MR. MOCARSKI: I think it's the right thing to be concerned about because the asset class to potentially defray the burn that's taking place in the portfolio is typically going to be a more illiquid asset class. So, we can't even invest in an asset class to help make up for that, which compounds the problem even more.

MR. BERTONAZZI: So, I've traditionally kept it smaller than some other places. Our hedge fund allocation is maybe a little bit larger, our private equity is a little bit lower. I'm trying to have some cake and eat it to if you will by doing that because hedge funds are quarterly liquidity. You can get your money at least four times a year, but when you make a commitment to a ten year private equity plan you're just not going to get the money in total until maybe six, seven, eight years later. So, that goes into my recommendations.

MAYOR TAVERAS: Any other questions?

VICE-CHAIRMAN LOMBARDI: Mr. Chairman, not necessarily a question, but could I enter all these documents into the record.

MAYOR TAVERAS: Absolutely. Do you we need to identify them or label them.

MS. STETSON: I will take care of that.

MAYOR TAVERAS: Eric, anything further. I know there were a couple things you wanted to talk about including the replacing Forrest Investment.

MR. BERTONAZZI: We can move onto that if that's okay.

MAYOR TAVERAS: Unless you have anything else.

MR. BERTONAZZI: I'm done with my prepared remarks unless there are more questions on that subject. We terminated Forrest back in the summer, if you recall, and the way we've done this traditionally is we make a recommendation and then if the board was interested we would have the manger come in the next month and make a presentation to this board and describe their strategy and let you ask any questions you may have. This is a hedge fund called Graham Capital Management. It's a type of strategy we do not have in the portfolio right now and I'll show you their returns and some explanatory information. It's a liquid strategy, so it's quarterly liquidity with no lock-up. So, we can put our money in and three months later if we wanted it all we could get it all out. There is no lock-up and it has quarterly liquidity, and you see at the top of the page the monthly returns and in the yellow bar the yearly returns and for context we put the return of the market, the S&P 500 over that timeframe. Now, this strategy is very different than what we have in there. This manger trades futures, commodities, interest rates, currencies, equities. It's what we call sort of a macro or a STA strategy. It doesn't do it exactly what any of our other managers in the portfolio does, and one of the reasons that this is attractive and I use this in other portfolios is because of this concept of weak correlation or uncorrelated to the other stuff in the portfolio. So, maybe just when other things are doing poorly this is not doing poorly or doing well and vice versa. So, a good example of that, we have these statistical terms, which I could discuss, but some illustrations of it, is if you would look at the year 2007. So, if you look you will see the manger actually lost 17% that year and the market was up 5.49%. So, I remember having conversations with clients. Equity is doing well, this manger is down what should we do about that? I remember telling them I've been using this shop for ten years now. I remember telling them well it's uncorrelated and it has nothing to do with what the S&P 500 does or the bond market. It's designed to behave differently. Well, they listened to me and then 2008 came and the world fell apart. You see the equity market plunge 37% and yet they made 15%. So, some of the very same clients who are sort of saying maybe we should pull the money from them in 2007, and we're saying maybe we should give more money to them in 2008. I sort of resisted both of those things. I would like to make a recommendation based on risk and to hold the allocation across time. So, that is a very plain common sense example of what I mean by uncorrelated returns. To drive that home, if you look in the middle left portion of the front page I have yellowed out some of the data and I know it's a messy page with a lot of data, but I'll just focus on a couple of things. If you see that column called fund, you see the compound rate of returns. So, over this lifespan of this particular fund the compound return net of all fees has been 13.24% per year. If you look to the column next to it labeled BM1, that stand for benchmark one, so that's the S& P 500, the equity market. Over that same timeframe, the S&P 500 has delivered 4.1% per year. To the right of that BM2, that's their macro index. That's a universe of other macro players, people who do similar things, and you can see the average fund over that timeframe has done 5.7%. So, the returns for the fund have been very strong in a very weak environment for the equity markets so it tends to help. It also tends to help with this correlation idea. So, it dampens the volatility of the entire portfolio. So, when it does behave well and others are doing poorly your whole portfolio has less volatility in it and vice versa. If you look at the standard deviation, and then I will stop with the statistics, you will see that it's 11.3% over that timeframe under the fund and the benchmark has been 15.8%. So, that's the volatility, the measure of up and down, if you will, and the risk of the S&P 500. So, not only have we had three times or more of the net return then the equity market from this manager he's doing it with less risk and that's because of the stuff that it does. It doesn't hold stocks like some of our equity managers do. It buys and sells all kinds of things very frequently and it delivers a pattern of returns, which don't depend on what's going on in the equity markets or even the bond markets. We say that they're uncorrelated and the data shows that. The correlation is essentially zero, meaning there is no relationship. So, the reason I want to recommend a manager such as this, is that I think we can get decent returns fro the risk that we take, but we can also get it in a way which dampens the overall volatility of the portfolio. That's what these things are designed to do. They have in fact done it so far. There is no guarantee about the future of course, but I've been using this company and these strategies for a long time at least ten years an they have helped and given that we've replaced one of our hedge fund managers a while back. I would like the board to consider this as a replacement and in general those are the reasons that I would come to you with a recommendation.

MR. MOCARSKI: How much would you put with this manager?

MR. BERTONAZZI: About 2%. So, $6 million dollars is my recommendation. So, not a large exposure, but that's essentially what our asset allocation would call for.

MR. SIMON: Is this coming from other hedge funds?

MR. BERTONAZZI: This would end up just coming from cash and liquidity inside Loomis Sayles because the money we redeemed from Forrest went to them.

MR. SIMON: Okay.

MAYOR TAVERAS: Would the commission like to hear from them next month?

MR. MOCARSKI: I think that would be a good idea.

MAYOR TAVERAS: Could you have them come in next month?

MR. BERTONAZZI: Yes, we will set that up. Thank you.

MAYOR TAVERAS: Next, we have discussion relative to the Dexter Donation and other trust accounts including the cash balance of the funds.

MR. BERTONAZZI: Yes. The thin black book, you can see what your returns have been for your other portfolios that you have invest responsibility for. The Dexter Donation Trust, the Charles Smith Trust, The Ely Trust, etc. There is a wide variety of them and each tab shows you what the returns are. They're all managed approximately in the same way with the same equity and fixed income exposure. There are no hedge funds in these portfolios. They're too small and from time-to-time, whether it's Dexter or what have you, requests are made to fulfill the mandates of the trust and we provide those dollars when the necessary authorization has been given and you can see what returns have been. So, since these trust don't have the same liquidity needs as the big city pension plan, we manage them a little bit more aggressively sort of an 80/20 mandate, 80% equity, 20% fixed income and you can see that in good times it tends to lead the higher returns. So, Dexter Donation is up 8½% year-to-date, Ebenezer Knight Dexter Trust is up 8½% and the others are up 9%. They're having a very good year. I have no recommendations for you to change to portfolio or replace any mangers at this time, but it does give you an update on how they're doing. I'll take questions if there are any.

MAYOR TAVERAS: Any questions? We have two requests. We have a request of Robert F. McMahon, Superintendent of Public Parks, to transfer $150,000.00 from the North Burial Ground trust fund to the expendable account 801 for operating expenses and landscaping capital improvements. I know that has already been approved by the Board of Parks Commissioners. Can I have a motion.

VICE-CHAIRMAN LOMBARDI: So moved

MR. MOCARSKI: Second

On motion of Vice-Chairman Lombardi, seconded by Mr. Mocarski, it is voted to approve the request of the Superintendent of Parks Department to transfer $150,000.00 from the North Burial Ground Trust to the expendable account 801 for operating expenses.

MAYOR TAVERAS: All those in favor.

COMMITTEE: Aye.

MAYOR TAVERAS: All those opposed. The "Aye" have it.

Motion Carries.

MAYOR TAVERAS: The second request is of Robert F. McMahon, Superintendent of Public Parks, to transfer $150,000.00 from the north burial ground trust fund to the expendable account (801) for operating expenses and landscaping capital improvements. I know that's also been approved by the Park Commissioners. Is there a motion on that?

MR. MOCARSKI: These are just ordinary expenses. It sounds like it.

MS. GOMEZ: I have the minutes of the meeting. As far as the North Burial Ground, there are going to be landscaping sight improvements as well as $30,000.00 is going to be used for operating expenses because the line items have been depleted.

MAYOR TAVERAS: As I said $30,000.00 will be used for the operating fund and $120,000.00 for insight improvements to facilitate additional burial spaces. As I recall and having been at the meeting is that we're concerned about burial space at the North Burial Ground and trying to be able accommodate future needs because it's finite because and there is only so much that we can do. So, the improvements are going to consist of fencing off and landscaping at the garage and dumping area so that the burial park will be nicer in that area surrounding those sights. We have about 220 to 225 burials per year at the North Burial Ground and right now Superintendent McMahon mentioned to Councilman Igliozzi that we may run out of loom in ten to fifteen years and smaller lots and a possible cremation area are possibilities for consideration. The Superintendent is going to be doing an in depth study about when we might run out of room and what the options are to try to address that issue. The North Burial Ground is used for helping different people who need a place for their loved ones. So, that was an issue there. One of the things that we're going to be doing in the future is we will in the future have for you when was the last time the funds were tapped and how much was taken out so that we can have more information. I asked the Superintendent from now on with any requests like these to actually have the information. When was the last amount of money that we took out and what was the fund balance at the time so that we can have an idea of how often we're tapping these funds.

MR. MOCARSKI: That sounds great. Thank you Mr. Chairman. I make a motion to approve.

VICE-CHAIRMAN LOMBARDI: Second.

On motion of Mr. Mocarski, seconded by Vice-Chairman Lombardi, it is voted to approve the request of the Superintendent of Parks Department to transfer $30,000.00 from the Samuel Tingley Trust Fund to the expendable account 809 for ponds study and plan in Roger William Park.

MAYOR TAVERAS: All those in favor.

COMMITTEE: Aye.

MAYOR TAVERAS: All those opposed. The “Aye” have it.

Motion Carries.

MAYOR TAVERAS: Before we adjourn, I just wanted to follow-up on what I said. We’re going to be putting on the agenda for discussion probably next meeting is fiduciary training for us as commissioners. So, we have a meeting next month and we will do that we’re we can just talk amongst ourselves about that. We also have the Law Department looking into that as well. I’m not certain if the commissioners have had any training outside of the city, but I would like to investigate that and suggest to the commissioners that perhaps we should do that together to have a better sense of some of the responsibilities that we have as investment commissioners. We will follow-up on that next month. I will entertain a motion to adjourn.

ADJOURNMENT: On motion of Vice-Chairman Lombardi, seconded by Michael Pearis, it is voted to adjourn the meeting at 1:00 o’clock P.M.

City Clerk

Assistant Clerk