

THESE MINUTES ARE SUBJECT TO APPROVAL BY BOARD OF SELECTMEN

The Board of Selectmen held a special meeting Thursday, September 10, 2015 in the Council Chamber of the Municipal Center, Newtown. First Selectman Llodra called the pension portion of the meeting to order at 7:00p.m.

PRESENT: First Selectman Llodra, Selectman William F.L. Rodgers, Selectman James O. Gaston, Sr.

ALSO PRESENT: Finance Director Robert Tait, Devon Francis & Christopher Rowllins of Fiduciary Investment Advisors, ten members of the public and one members of the press.

Mr. Tait explained that two companies were interviewed for the position of pension advisors. Fiduciary Investment Advisors was chosen. Devon Francis and Christopher Rowllins were available to present information on the company (attached). Selectman Rodgers asked about interaction with the pension committee versus the Board of Selectman and the investment manager. Mr. Rowllins said they will want to understand the governing structure within the town. FIA will be involved with the investment manager, note where they are adding value, where there are issues of concern and where efficiencies can be made. Mr. Gaston asked if FIA will be displacing, or working with, Westport Resources. Mr. Rowllins said Westport will continue to manage the assets. FIA provides independent oversight. Ms. Francis said that over time FIA would be likely to recommend managers to compliment Westport Resources. FIA will help facilitate discussion on what other towns are doing with their investment return assumption, what is the implication, what is being done in terms of asset allocation strategies; these are observations that will be brought to the table, as well as benchmark and performance. Selectman Gaston asked if FIA could provide performance results from other towns, before they were involved and then after they were involved. Mr. Rowllins said that they would be able to show the value added. Selectman Rodgers asked if FIA ever deals directly with just the investment manager. FIA will ask the investment manager to complete a lengthy questionnaire; the manager research group continues with questions. Findings are brought to the committee level through investment reporting. They also want to be involved when Westport Resources presents to the board. FIA brings concerns to the Board of Selectmen.

Mr. Tait said that the pension assets are reaching a decent amount and is time to enter into contract with a pension investment advisor which would help out the trustees and the pension committee. Over the past five years the pension has not made benchmark.

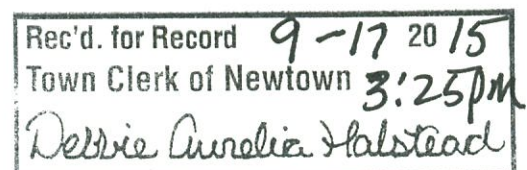
This is a relationship that can be reviewed at any point by the trustees.

ADJOURNMENT: Having no further business the Board of Selectmen adjourned their regular meeting at 7:34 p.m.

Respectfully submitted,


Susan Marcinek, Clerk

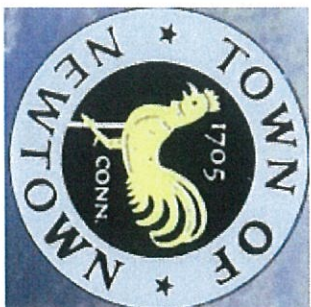
Attachment: Fiduciary Investment Advisors presentation





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INVESTMENT ADVISORS

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Presenters



Devon Francis

Devon is a Consultant at Fiduciary Investment Advisors, LLC (FIA), where she works with a variety of endowment, foundation, and defined benefit clients. She is also a member of the client analyst group focusing on quarterly reporting, portfolio diagnostics, and ad hoc client projects. She serves on the FIA Community Service Committee, the Endowment and Foundation Subcommittee, and the Defined Benefit Subcommittee. Prior to joining FIA, Devon served as a Client Service Associate with the PRIME Asset Consulting Group at UBS Financial Services, and also enjoyed a brief stint as a high school English teacher.

Education:

University of New Haven, Masters in Secondary Education
Duke University, BA

Outside Activities:

Hartford Stage – Board of Directors, Investment Committee, Finance Committee
Friends of the Cora J. Belden Library – Sponsor and Volunteer

Personal Interests:

Reading, fitness/exercise, theater, flying trapeze (that's not a joke)

Recent Speaking Engagements and Publications:

December 2014 – FIA White Paper: Board Governance – A Structured Framework
November 2014 – Guest speaker at AISNE Governance Conference
June 2014 – FIA White Paper: Corporate Pension Update: Higher Costs, Higher Liabilities – What's a Plan Sponsor to Do?
May 2014 – FIA White Paper: Keep Your Eye on the Prize: Maintaining a Long Term View in Endowment & Foundation Investing

CURRENT MUNICIPAL CLIENTS:

Plainfield, Stonington, Monroe, Windsor, Stamford, New Britain, Wethersfield



Presenters



Christopher Rowlins

Chris is a Principal and Senior Consultant at Fiduciary Investment Advisors, LLC (FIA) and provides strategic investment consulting services to corporate, non-profit, and governmental retirement plans. He joined FIA in 2010 and has been advising institutional clients for over 15 years, and has a wide range of expertise in investment strategies and pension risk management strategies for corporate defined benefit plans. Chris is a member of FIA's Investment Committee.

Prior to FIA, he was President and Senior Investment Strategist for USI Advisors, Inc., a Goldman Sachs Capital Partners Company. He also served as an Investment Analyst with the City of Hartford, Connecticut Treasury Office, where he was responsible for investment manager due diligence for the City's \$900 million pension plan, 457 plan and related trust portfolios. He was recognized as one of the *Most Successful Retirement Plan Advisers* by PLANSPONSOR Magazine in 2007. In 2010 he was named to 401kWire's list of the *300 Most Influential Advisors in Defined Contribution*. Chris is a frequent speaker and panelist on pensions and defined contribution plans.



Education:

Boston University, BA

Outside Activities:

- Investment Committee Member for The Village of Families and Children
- Member of the Government Finance Officers Association (GFOA)
- Member of the Connecticut Public Pension Forum (CPPF)

Recent Speaking Engagements and Publications:

- May 2015 – Guest speaker at NEA's Business Management & Executive's Conference – Investment Trends & Effective Governance for Fiduciaries
- June 2014 – Panelist at the DCIO Market forum at NYC's Princeton Club – Trends in Investment Products for DC Plans

CURRENT MUNICIPAL CLIENTS:

Southbury, Bloomfield, Farmington, Thomaston, Wilton, Windsor, Stonington, New Fairfield, Ledyard, East Hampton, Portland, Woodbridge, Plainfield

*“ Our mission is to provide customized consulting services
to assist our clients in achieving their investment objectives
while fulfilling their fiduciary obligations. ”*

Who We Are



- ❑ Fee-only **independent** registered investment advisory firm
 - FIA does not sell investment or insurance products.
 - FIA does not have a broker/dealer affiliation.
 - FIA does not have ancillary lines of business (e.g., health & welfare, actuarial, etc.)
 - 100% of FIA's revenue is derived from fees; our clients pay for our advice.
- ❑ 100% employee-owned
- ❑ 50-person staff with considerable experience working together
- ❑ Advisor to over 300 institutional clients
- ❑ FIA advises:
 - Municipalities (DB/DC/OPFB)
 - Corporations (DB/DC)
 - Not-for-profit institutions (retirement/foundation/endowment)
- ❑ 2009 Retirement Plan Adviser Team of The Year, *PLANSPONSOR Magazine*
- ❑ Top 100 Retirement Plan Advisers (2011-2015) *PLANADVISER Magazine*
- ❑ FIA was named one of the Best Places to Work in CT in 2011, 2012, 2013, 2014, and 2015 by the *Hartford Business Journal*

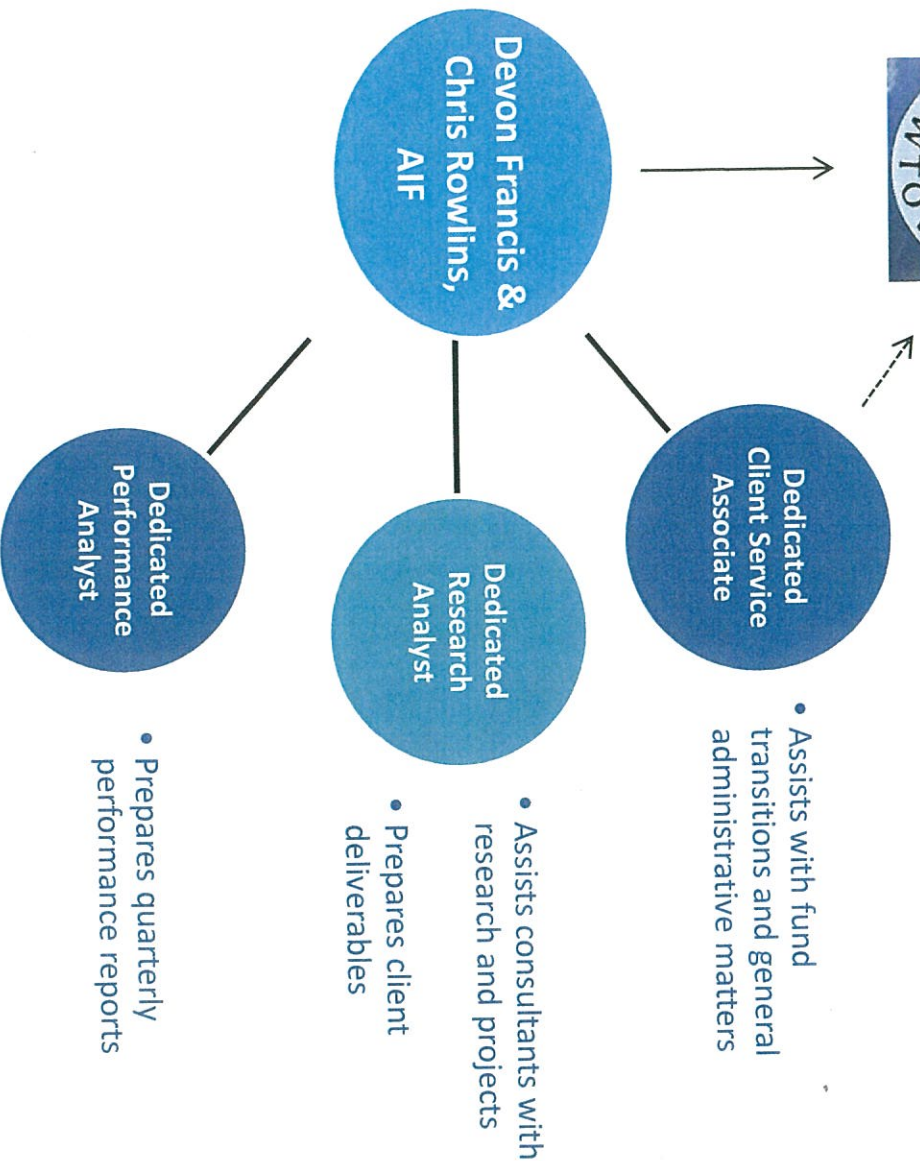
Our Organization



FIDUCIARY
INVESTMENT ADVISORS



Your Dedicated Service Team



- Assists with fund transitions and general administrative matters

- Assists consultants with research and projects
- Prepares client deliverables

- Prepares quarterly performance reports

FIA Investment Committee

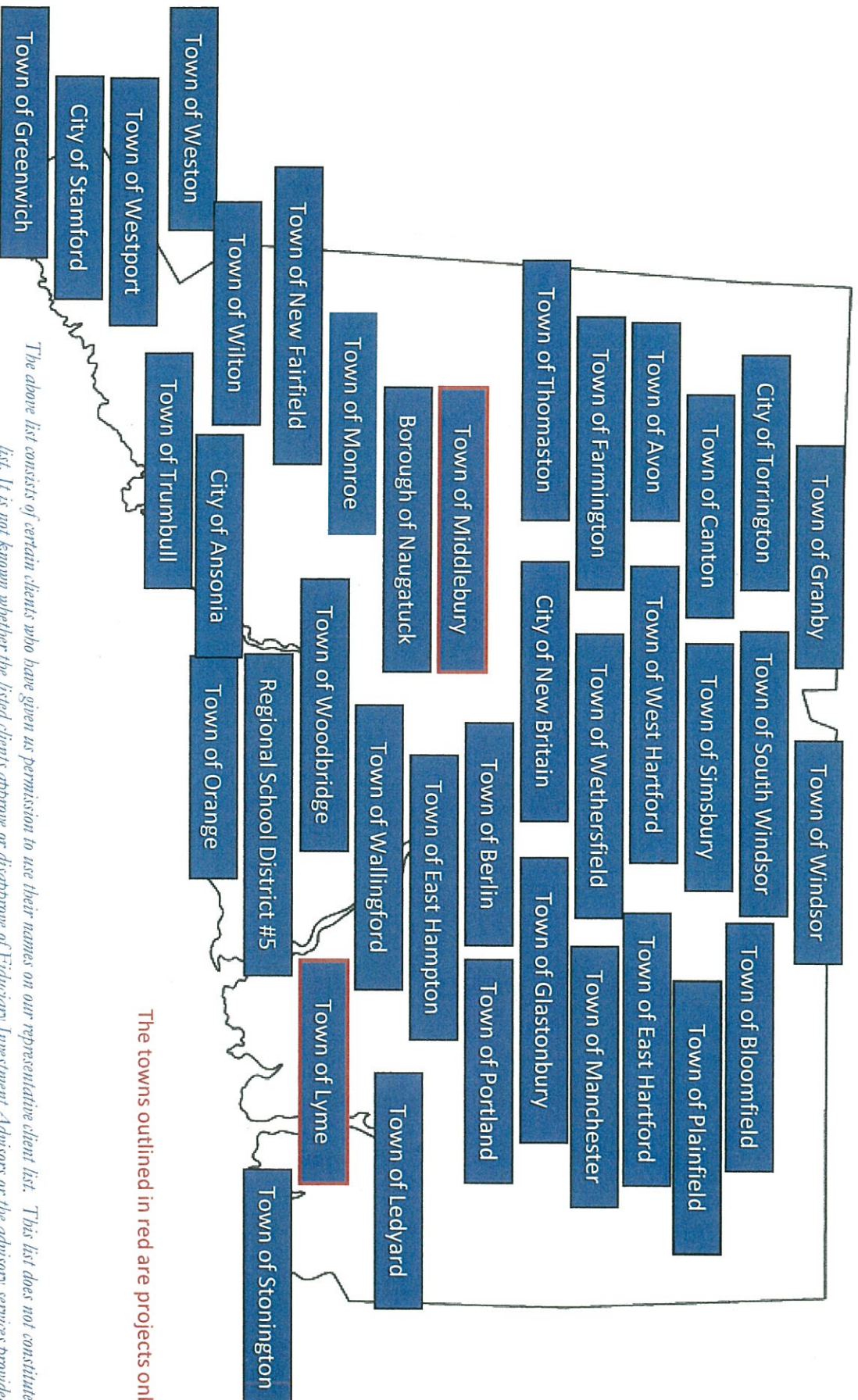
- Comprised of all FIA Principals and the majority of the consultants
- Formulates investment recommendations
- Approves investment managers
- Approves manager *Watch List*
- Reviews and approves Plan Diagnostics
- Ensures consistency of advice across client base

FIA's Public Fund Experience



- Our consultants have extensive experience and visibility in the public fund arena and are intimately acquainted with the unique issues and challenges facing public funds. We are active in numerous organizations dedicated to educating and assisting fiduciaries and decision makers in the municipal finance arena.
 - Connecticut Government Finance Officers Association (GFOA)
 - Connecticut Council of Small Towns (COST)
 - Connecticut Public Pension Forum (CPPF)
 - Founding Members
- We are frequent speakers at conferences on a national and local level on the topic of investing public pension monies and fiduciary oversight.
 - Opal Financial Group's Annual Public Funds Summit East
 - Pennsylvania Association of Public Employee Retirement Systems Fall Workshop
 - New England States GFOA Training Seminar
- We strive to look beyond the merely routine issues associated with public retirement systems.
 - Assisted municipalities with the establishment of and the appropriate investment of the proceeds derived from the issuance of pension obligation bonds (POBs) and have experience working with the state oversight bodies regarding the issuance of POBs.
 - One of the pioneers in assisting towns in the creation of asset allocation strategies and portfolio design for Other Post Retirement Benefits (OPEB) Trusts; having worked with a number of municipalities in educating their Finance Committees and Retirement Boards in setting up OPEB trusts and providing consulting advice on an ongoing basis.

CT Public Fund Experience



The towns outlined in red are projects only.

The above list consists of certain clients who have given us permission to use their names on our representative client list. This list does not constitute our entire client list. It is not known whether the listed clients approve or disapprove of Fiduciary Investment Advisors or the advisory services provided.

Representative Client List



Endowments/Foundations

American Antiquarian Society
Assumption College
Asylum Hill Congregational Church
J. Walton Bissell Foundation
Boys & Girls Clubs of Boston
Children's Fund of Connecticut
Connecticut Public Broadcasting, Inc.
Diocese of Worcester
Harriet Beecher Stowe Center
Harrington Memorial Hospital
Hartford Public Library
Huisking Foundation, Inc.
Jewish Board of Family & Children's Services (New York)
Mill Neck Foundation
National Football Foundation
Worcester Art Museum
Worcester County Horticultural Society
YMCA of Greater Hartford

Law Firms

Barclay Damon, LLP
Locke Lord Edwards
Mirick, O'Connell, DeMallie & Lougee, LLP
Murtha Cullina, LLP
Pullman & Comley, LLC
Reid & Riege, P.C.
Robinson & Cole, LLP
Ward and Smith, P.A.

Corporate Plans (Private)

Boardroom, Inc.
Evonik Degussa Corporation
FiberMark North America, Inc.
Gerber Scientific
Hyde Investment Corporation
Integrated Industrial Systems, Inc.
Kanzaki Specialty Papers
National Life Group (Vermont)
Newspapers of New England
Sasaki Associates, Inc.
Save the Children
Securities Industry & Financial Markets Assoc.
Vista Capital
Welch Foods, Inc.

Corporate Plans (Public)

Alstom
Blyth, Inc.
Chemtura Corporation
Connecticut Water
ConvaTec, Inc.
Dow Jones & Company, Inc.
Fox

Harsco Corporation
Metso Automation
Mizuho Corporate Bank, Ltd.
News Corporation
The Phoenix Companies, Inc.
Photonics, Inc.
Samsung
United Rentals, Inc.
Waters Corporation

Healthcare Organizations

Connecticut Children's Medical Center
Connecticut Multispecialty Group
Day Kimball Healthcare
Eastern Connecticut Health Network
Fairlawn Rehabilitation Hospital
Grove Hill Medical Center
Harrington Memorial Hospital
Orthopedic Associates of Hartford, P.C.
ProHealth Physicians, Inc.
Riverbend Medical (Physician Practice Partners)
South County Hospital
UMass Memorial Healthcare
Vermont Managed Care Indemnity Corp.
Waterbury Hospital
Women's Health USA, Inc.

Educational Institutions

Berklee College of Music
Boston College
Brandeis University
College of the Holy Cross
Dartmouth College
Gettysburg College
Milton Academy
Northfield Mount Hermon
Providence College
Sacred Heart University
St. John's University
Swarthmore College
The Hotchkiss School
The Taft School
Williams College

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Portfolio Diagnostic Review



FIA believes that each client is unique and, as such, the solutions that we provide would be customized to meet the specific goals and objectives of the Town of Newtown.

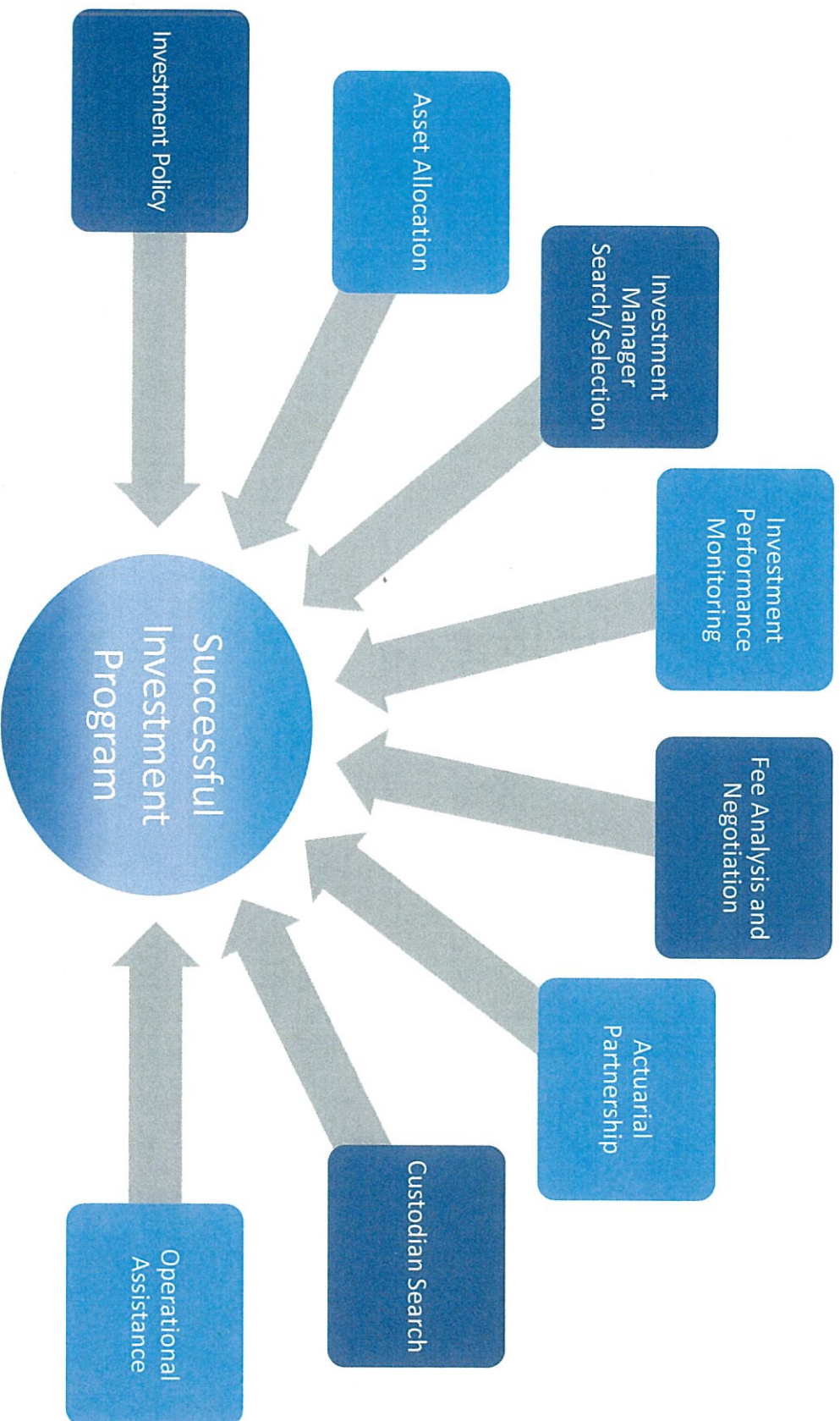
Determination of goals, objectives and potential solutions are outlined at the outset of each new client relationship in an exercise that FIA defines as the **Portfolio Diagnostic**.

- ❑ Needs assessment — identify goals and objectives
- ❑ Coordination with actuary to identify liability trends and assumptions
- ❑ Examine current portfolio construct
 - Conduct asset allocation study
 - Review of current investment policy statement/guidelines
 - Analyze investment portfolio and benchmark performance results
 - Provide full investment management fee transparency
 - Review custodial services and fees
 - Benchmark plan against other CT municipal plans
 - Discuss findings with the Board

Consulting Services



Portfolio Diagnostic: Prepared for each new client to address all components of investment program



Results of Our Process



- Clearly articulated **goals and objectives** with a methodology to pursue them
- An appropriately designed and **properly diversified investment portfolio**
- A method to objectively evaluate **investment performance**
- Appropriate fee structures**
- A comprehensive **investment policy** statement
- Confidence** that you are meeting your obligations as a fiduciary