

**TOWN OF STONINGTON  
RETIREMENT BOARD  
March 25, 2014**

The Stonington Retirement Board held a special meeting on this date at 9:00 a.m., at the Stonington Police Station. Board members present were: Maryanna Stevens, Chairman; and Bill King. John O'Brien was present via telephone. Absent was Frank Todisco. Also in attendance was Devon Francis, representing Fiduciary Investment Advisors (F.I.A.).

The meeting was called to order at 9:00 a.m.

**Discussion of Procurement of New Vendor for Pension Custodial Services:**

Ms. Stevens stated that Jeanine Beal, from Bank of America called to inform her that they will no longer be providing custodial services to municipalities. Ms. Stevens indicated that their target date is June 30, 2014; however, there may be some flexibility for the transition to go beyond that date. Ms. Stevens stated that there is no RFP required, and that the process would take too long, since the deadline is 06/30/2014. She recommended that F.I.A. reach out to Washington Trust and two or three other vendors for quotes for custodial services. Ms. Stevens suggested Washington Trust because they have a Trust Department and handle a few of the Town's smaller trusts. Ms. Francis stated that they will most likely contact Wells Fargo, Webster Bank and People's Bank, in addition to Washington Trust. After a brief discussion, it was the consensus of the Board that an RFP is not necessary and for F.I.A. to get pricing from four vendors.

**Review of Fund Performance:**

Ms. Francis reviewed the 4th Quarter Investment Review ending December 31, 2014 and the Preliminary Flash report as of February 28, 2014. Both reports are on file in the Department of Administrative Services. Ms. Francis gave a brief economic and market overview. She reviewed the portfolio's Asset Allocation. The portfolio is slightly underweight in Fixed Income and slightly overweight in Domestic Equities. However, F.I.A. is comfortable with the current allocations and will not be making any changes. The portfolio outperformed the Blended Benchmark for the 4<sup>th</sup> Qtr. 2013, YTD, 1 Year, and 3 Years. The Preliminary Flash Report as of February 28, 2014 indicated that the fund underperformed the Blended Benchmark for 1 month, QTD & YTD and outperformed the Blended Benchmark for 1 & 3 Years.

Ms. Francis stated that F.I.A.'s Manager Research Group meets quarterly to review and evaluate all fund managers' investment policies and performance and vote to maintain, terminate or put on "Watch Status". FIA put PIMCO on watch status following the departure of CEO/co-CIO Mohamed El-Erian; however, they are not too concerned about the effect of his departure on PIMCO Funds.

Mr. O'Brien voted to accept F.I.A.'s report. Mr. King seconded and it was unanimously voted.

**Discussion of Investment Policy Statement (IPS):**

Ms. Stevens stated that she would like to compare the old IPS to the new Draft IPS. Messrs. O'Brien and King reviewed the draft, but would also prefer to review both before the Board adopts it. As a result, it was the consensus of the Board to table this item.

**Review of COLA Estimate:**

Ms. Stevens stated that, since Mr. Todisco was unable to attend the meeting, the Board could discuss Mr. Woollacott's estimates and wait for the full Board to vote. It must go to Town Meeting for approval. Ms. Stevens reviewed Mr. Woollacott's estimates in his letter to her, dated December 18, 2013. His estimates were based on the July 1, 2013 Valuation Data and assumed a July 1, 2014 effective date. They are as follows:

- 1/12 of One Percent - \$71,000 in increased pension contributions – Funding Ratio 81%
- 1/24 of One Percent - \$44,000 increase – Funding Ratio 82%
- 1/48 of One Percent - \$23,000 increase – Funding Ratio 82%

The maximum COLA would be 10%. The last ad-hoc COLA was implemented effective July 1, 1999.

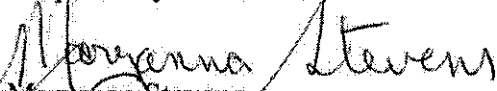
After some discussion, the Board agreed that a special meeting can be held in the near future for the full Board to make a decision on an ad-hoc COLA.

**Approval of December 10, 2013 Minutes:**

Mr. O'Brien made a motion to approve the Minutes of the December 10, 2013 meeting. Mr. King seconded and it was unanimously voted.

There being no further business to come before the Board, Mr. King made a motion to adjourn. Mr. O'Brien seconded and it was unanimously voted. The meeting adjourned at 9:31 a.m.

Respectfully submitted,

  
Maryanna Stevens,  
Chairman

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