

TOWN OF STONINGTON
RETIREMENT BOARD
JUNE 7, 2007

The Stonington Retirement Board held a special meeting on this date at 9:00 a.m., at the Stonington Public Schools Administration Building. Board members present were: George Sylvestre, Frank Connolly, John O'Brien, Russell Burgess and Edward Haberek. Also present were Cheryl Morgan and Gregory Miller from of Bank of America.

Mr. Sylvestre called the meeting to order at 9:15 a.m.

The purpose of the meeting was to review fund diversification and the current Investment Policies/Guidelines, in order to implement changes designed to improve fund performance.

Mr. Miller distributed and reviewed the Asset Allocation Study that he prepared for the Board. He discussed alternative portfolio mixes with estimated Rates of Return from 7.25% to 7.80%, and Risk Factors from 9.52% to 10.63%. The current portfolio has experienced a 7.00% Return, with a Risk of 9.52%. Mr. Miller recommended a more diverse Asset mix and inclusion of mutual funds and exchange traded funds in the portfolio.

After some discussion, the Board adopted the Investment Guideline changes as referenced in Cheryl Morgan's letter (attached). The new Guidelines are attached.

Concern was raised that Mr. Miller's recommendation might be risky, especially the shift to International Funds within the Equities from 0 to 35%, and that a more conservative approach might be more desirable. Mr. Miller stated that diversification could be done gradually over time, to move toward his recommendation.

Ms. Morgan stated that she will send the revised Guidelines to the Board by the end of next week.

The next meeting of the Retirement Board will be a special meeting held on Tuesday, November 13, 2007, because the Board's regularly scheduled meeting for November 6, 2007 is Election Day.

There being no further business to come before the Board, the meeting was adjourned at 10:40 a.m.

Respectfully submitted,

George R. Sylvestre
Chairman/Secretary

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