

TOWN OF STONINGTON  
RETIREMENT BOARD MINUTES  
NOVEMBER 12, 2008

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, Judy Samokar, April Smith, John O'Brien, and Russel Burgess. Also present were Cheryl Morgan, Gregory Miller and Brian Waldner, Columbia Management, a division of Bank of America; and Evan Woollacott, Jr., Hooker & Holcombe, Inc.

Mr. Sylvestre called the meeting to order at 9:00 a.m.

Review of Actuarial Valuation & Actuarial Assumptions:

The purpose of the valuation is to determine the funding status of the plan and to determine the Town's recommended cash contribution for the plan year.

Mr. Woollacott reviewed the Actuarial Valuation Report 7/01/2008 and the assumptions with the Board. The valuation reflected no changes in the funding method and assumptions. Mr. Woollacott stated that they reviewed a new asset smoothing method. For this year, the results are similar to the current method. The report recommended changing the asset smoothing method in the future.

Mr. Sylvestre stated that an actuarial valuation is now done every year, to maintain timely census data and maintain funding requirements as accurate as possible.

Mr. Woollacott stated that the Town's recommended funding cost is \$11.3% of gross wages per active participant. It was the consensus of the Board to accept the recommendation.

Hooker & Holcombe and the Board will closely review and discuss the assumptions at the May 2009 meeting. Mr. Woollacott stated that he is comfortable with the 7.5% rate of return assumption that is currently used. He stated that he would like to be informed if the Board changes its investment philosophy so that he can adjust the assumption.

Review of Fund Performance:

Messrs. Miller and Waldner met with the Retirement Board to review investment results of the Town of Stonington Pension Plan for the period ending September 30, 2008. They also gave an overview of the economic outlook for 3<sup>rd</sup> Quarter 2008 and its affect on fund performance, as well as an economic forecast through 2009.

Although the total fund was down 3<sup>rd</sup> Quarter 2008, FY to date and 1 year, overall it outperformed its benchmarks. The Fund Performance as of September 30, 2008 is attached.

Exposure has been increased in Equity sub categories, moving toward target ranges for various asset classes that were a result of the changes in the Investment Guidelines approved by

Retirement Board  
November 12, 2008 page 2

the Retirement Board in 2007. Small cap exposure has been doubled, moving toward the targeted range of 8% to 12% within the Equity portion of the portfolio.

It was noted by a Board member that the Real Estate Range seems high. Mr. Miller stated that the fund will stay underweighted in real estate.

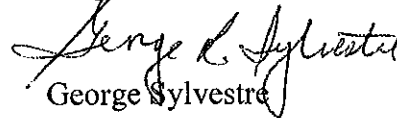
Approval of Previous Minutes:

Mr. Burgess made a motion to accept the 05/08/2008 Minutes. Ms. Samokar seconded and it was so voted.

The next regular meeting of the Retirement Board is the First Tuesday in May 2009.

There being no further business to come before the Board, the meeting adjourned at 10:50 a.m.

Respectfully submitted,

  
George Sylvestre  
Secretary

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# Town of Stonington Pension Total Performance as of September 30, 2008

Fiscal Year End: June

	3Q.08 (%)	FISCAL YEAR- TO-DATE (%)	1 YEAR (%)	3 YEARS (%)	5 YEARS (%)	10 YEARS (%)	SINCE INCEPTION (345 MOS) (%)
Total Fund	-2.91	-2.91	-10.22	2.20	5.07	4.82	9.46
Total Fund Net of Fees	-3.04	-3.04	-10.75	1.66	4.51	4.31	N/A
Equity Plus Cash	-3.38	-3.38	-16.65	2.60	6.98	5.48	11.22
Standard & Poor's 500 Index	-8.36	-8.36	-21.96	0.23	5.17	3.06	11.81
Fixed Income Plus Cash	-0.56	-0.56	2.63	3.47	3.46	5.21	8.16
Lehman Aggregate Bond Index	-0.48	-0.48	3.66	4.15	3.79	5.20	8.80
Conservative High Yield Fund	-5.29	-5.29					
Lehman High Yield Index	-8.89	-8.89					
Cash Equivalents	0.53	0.53	3.29	4.50	4.19	4.17	6.71
Citigroup 3 Month T-Bill	0.43	0.43	2.55	3.99	3.10	3.39	5.92

Past performance is no guarantee of future results.  
Returns shown are gross of fees.

# Town of Stonington Pension Total Performance as of September 30, 2008

Fiscal Year End: June

	3Q 08 (%)	FISCAL YEAR-TO-DATE (%)	1 YEAR (%)	3 YEARS (%)	5 YEARS (%)	10 YEARS (%)	SINCE INCEPTION (345 MOS) (%)
Large Cap Core Fund	-3.68	-3.68	-17.49	2.56	7.03	4.92	11.34
Russell 1000	-9.35	-9.35	-22.11	0.13	5.49	3.49	11.67
Small Cap Core Fund	-1.71	-1.71	-12.16				
Index Trust Fund	-9.81	-9.81	-19.81				
Russell 2000	-1.12	-1.12	-14.49				
Real Estate Equity Fund	7.55	7.55	-6.01				
REIT Vipers	5.40	5.40	-10.51				
NAREIT Equity	5.56	5.56	-11.15				
International Stock Fund	-20.75	-20.75	-31.22				
EAFE	-20.56	-20.56	-30.50				

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