

PENSION BOARD AGENDA
THURSDAY, MARCH 26, 2009
4:00PM
LAW LIBRARY CONFERENCE ROOM, TOWN HALL

1. Approval of Minutes and Actions of the Regular Meeting of February 26, 2009.
2. Acceptance of Pension Fund Status Report for the month of February 2009.
3. **CORRESPONDENCE/REPORTS**
 - A. Meridian – 2008 Fourth Quarter Statement – completed calculation of the year.
 - B. Revised Pension Fund Status Report for the month of January 2009
 - C. Pine Grove – Statement of Investment as of February 28, 2009
4. **ADVISORS REPORTS**
 - A. *Plan Actuary Reports*
 - *NONE*
 - B. *Investment Advisors Reports*
 - Defined Contribution Quarterly Report
 - C. *Plan Attorney Reports*
 - OPEB Trustee Appointment – Bruce Barth
5. **OLD BUSINESS**
 - A. Update on Future Asset Allocation Changes
6. **NEW BUSINESS**
 - *NONE*
7. **RETIREMENTS**
 - *NONE*
8. **ADJOURNMENT**

**TOWN OF MANCHESTER, CONNECTICUT
PENSION BOARD**

MINUTES OF MARCH 26, 2009

ATTENDEES: Evelyn Livingston, Craig Lappen, Jan Johnson, Bette Copeland, Tom Crockett, Rob Huestis, Alan Desmarais, Dede Moore, Bruce Barth representing Robinson & Cole, and Mike Goss representing Fiduciary Investment Advisors LLC (FIA).

CALL TO ORDER: The meeting was called to order at 4:05PM by Rob Huestis, Chairman.

1. **APPROVAL OF MINUTES AND ACTIONS:** The minutes and actions of the Regular Meeting of February 26, 2009 were approved (Johnson/Moore) 7-0.

2. **ACCEPTANCE OF THE ACCOUNT REPORT:** The Pension Fund Status Reports for the months of January 2009 and February 2009 was unanimously approved. Alan Desmarais reported that the revised January report correctly represented all elements of the asset allocation changes approved in January and executed by January 31 (Crockett / Lappen) 7-0.

3. **CORRESPONDENCE/REPORTS**

Items of correspondence that were included on the agenda were reported as for information only by Alan.

4. **ADVISORS REPORTS**

A. ***Plan Actuary Reports***
NONE

B. ***Investment Advisors Reports -***

Defined Contribution Quarterly Report — Mike Goss presented the Defined Contribution Quarterly Report, a copy of which is attached to the minutes of record. Mike directed Board attention to the fact that the recent markets' distress has caused many of the DC participants to move funds into the more conservative fixed and guaranteed return funds, which he observed that in the past has been an action that defined the "bottom setting" of major indexes.

C. ***Plan Attorney Reports*** - Bruce Barth responded to several administrative questions asked by the Board at the February meeting when it formally agreed to act as trustee for the recently formed OPEB trust.

Minutes of the March 26, 2009 Pension Board Meeting**5. OLD BUSINESS**

A. **Update on Future Asset Allocation Changes** — Mike Goss reported that the following actions had been taken or all now planned to execute the asset allocation changes approved in January:

- investments in senior secured bank loans and PIMCO commodities real return fixed fund completed.
- finalists for April interview of fund-of-fund managers to replace Meridian Fund indentified, with the Board indicating a preference to interview top 2 rather than 3 firms.
- search under way for global asset allocation funds to compliment GMO as a part of expanded allocation in that class.
- re-allocations in international equities and domestic small cap equities will follow in second half of calendar year.

Mike also reported on the questions asked by the Board regarding the limited ability of State Street to honor all requests for distributions from the large cap equities passive index fund, but that monthly and cumulative distributions will be made over a 6-9 month period with the proceeds being used to gradually execute the re-investment plans. Mike confirmed that the limited liquidity resulted from the Board choosing to participate in the index fund that included permission for State Street to lend securities, with the proceeds of the practice providing additional 10-13 basis points which essentially covered the index fund fees. The Board decided that liquidity was preferable to the minimal additional return, and directed that once this gradual sale of shares was completed that the remaining investment be transferred to the index fund that did not participate in securities lending.

6. NEW BUSINESS

- *NONE*

7. RETIREMENTS

- *NONE*

There were no actions.

ADJOURNMENT: The meeting was adjourned by consensus at 5:45 PM (7-0).

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PENSION BOARD**

Actions of March 26, 2009 Pension Board Meeting

No actions taken.