

PENSION BOARD AGENDA
THURSDAY, SEPTEMBER 25, 2008
4:00PM
LAW LIBRARY CONFERENCE ROOM, TOWN HALL

1. Approval of Minutes and Actions of the Regular Meeting of August 28, 2008.
2. Acceptance of Pension Fund Status Report for the month of August 2008.
3. **CORRESPONDENCE/REPORTS**
 - A. Capital Markets Note from FIA
 - B. PERiScope Newsletter from Milliman
4. **ADVISORS REPORTS**
 - A. *Plan Actuary Reports*
 - *NONE*
 - B. *Investment Advisors Reports*
 - A. Defined Contribution Quarterly Report
 - B. ING Plan Changes as of October 1, 2008
 - C. *Plan Attorney Reports*
 - *NONE*
5. **OLD BUSINESS**
 - A. New Asset Allocation Model and Related Investment Changes
6. **NEW BUSINESS**
 - A. Qualification/Approval of Scott Plourde DRO
 - B. Approval of Life Cycle Products as Default Investment Option
 - C. Request for Approval from FIA Regarding the use of FinaConnect Inc. to Assist in Preparing the Town's Quarterly Reports.
7. **RETIREMENTS**
 - **Robert Haley**, Family Support/Senior Center, Normal Retirement, \$1,493.65 a month, with no dependent option, effective September 1, 2008.
8. **ADJOURNMENT**

**TOWN OF MANCHESTER, CONNECTICUT
PENSION BOARD**

MINUTES OF SEPTEMBER 25, 2008

ATTENDEES: Tom Crockett, Bette Copeland, Evelyn Livingston, Rob Huestis, Alan Desmarais, Jan Johnson, Dede Moore, Barbara Wengrzynek, and Chris Kachmar 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 August 28, 2008 were approved (Crockett/Moore) 5-0-1 (Rob Huestis abstained from voting as he was absent for that meeting).

2. **ACCEPTANCE OF THE ACCOUNT REPORT:** The Pension Fund Status Report for the month of August 2008 was approved (Crockett/Livingston) 6-0.

3. **CORRESPONDENCE/REPORTS**

A. **Capital Markets Note from FIA** — For informational purpose.

B. **PERiScope Newsletter from Milliman** — For informational purpose.

Alan Desmarais commented on the general correspondence included in the agenda package, making special note of the Capital Markets Update position letter provided by FIA. Chris Kachmar also commented on his firm's report and suggested that further conversation regarding current unrest in capital markets was warranted under the Old Business discussion of potential changes to the Asset Allocation Model.

4. **ADVISORS REPORTS**

A. ***Plan Actuary Reports***

- *NONE*

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

a. **Defined Contribution Quarterly Report** — Chris Kachmar presented the Defined Contribution Quarterly Report, a copy of which is attached to the minutes of record. He also presented a report summarizing the results of a manager search for a replacement for the Franklin Small/Mid-Cap fund, which had significantly under-performed compared to both relevant indexes and the universe of comparable funds. After a review of the 3 primary alternative funds, a motion to replace Franklin SMID Growth with Munder Mid-Cap Core Growth was unanimously approved (5-0) but with the understanding that, assuming ING can continue to maintain Franklin as a closed but active fund in addition to Munder, Franklin SMID would remain in place but with no new investments. During this discussion, Tom Crockett also observed that another of the ING fund offerings, Oppenheimer Global Equities, had significantly under-performed in its comparable universe of funds and should be considered for WATCH status. Board members supported this position and Chris committed to FIA reporting back to the Board in October concerning the appropriateness of such status at this time.

Minutes of the September 25, 2008 Pension Board Meeting

b. **ING Plan Changes as of October 1, 2008** — The Board approved the ING proposal to eliminate the daily asset management charge for servicing the DC Plan, which resulted from total Plan assets invested exceeding the threshold previously discussed as the amount under management supporting fee elimination.

C. **Plan Attorney Reports**

- *NONE*

5. **OLD BUSINESS**

New Asset Allocation Model and Related Investment Changes — Chris Kachmar of FIA distributed an e-mail advising the Board that the regular FIA service representative, Mike Goss, would be on medical leave through October, and then summarized the FIA position on recent market turmoil, with the conclusion that the overall asset allocation currently in place for the DB plan was both moderate and outperforming the indexes, and that as such, no large adjustments were needed. However, he did confirm that the plan previously suggested by the Board, for FIA to work with Alan and Rob to develop some minor adjustments to the current allocation plan, notably to consider a 1] slightly larger allocation to conservative fund of fund hedge funds, 2] a larger allocation to global asset allocation mutual funds similar to GMO with consideration to investing in a second fund of that type, and 3] a small allocation in private equity placement, was an appropriate set of adjustments to consider. It was agreed that FIA would prepare a recommendation for action in early 2009.

6. **NEW BUSINESS**

A. **Qualification/Approval of Scott Plourde DRO** — This Domestic Relations Order was unanimously qualified (Johnson/Livingston) 5-0.

A. **Approval of Life Cycle Products as Default Investment Option** — This investment option was unanimously approved (Crockett/Johnson) 5-0.

C. **Request for Approval from FIA Regarding the Use of FinaConnect Inc. to Assist in Preparing the Town's Quarterly Reports** — Unanimously approved (Livingston/Johnson) 6-0.

7. **RETIREMENTS**

- **Robert Haley**, Family Support/Senior Center, Normal Retirement, \$1,493.65 a month, with no dependent option, effective September 1, 2008.

This retirement was approved unanimously (Crockett/Johnson) 5-0.

8. **ADJOURNMENT:** The meeting was adjourned by consensus at 5:10PM (Moore/Crockett) 5-0.

**TOWN OF MANCHESTER, CONNECTICUT
PENSION BOARD**

Actions of September 25, 2008 Pension Board Meeting

- 08-25** Unanimously approved a Normal Retirement for *Robert Haley*, Family Support/Senior Center, for \$1,493.65 a month, with no dependent option, effective September 1, 2008.
- 08-26** Unanimously qualified/approved a Domestic Relations Order for Scott Plourde.
- 08-27** Unanimously approved a motion to replace Franklin SMID Growth with Munder Mid-Cap Core Growth but with the understanding that Franklin SMID would remain in place, but with no new investments.
- 08-28** Unanimously approved a motion for Life Cycle Products as the Default Investment Option for the Defined Contribution fund.
- 08-29** Unanimously approved the use of FinaConnect Inc. to assist in preparing the Town's Quarterly Reports.