

**MINUTES OF THE TOWN OF FARMINGTON RETIREMENT BOARD  
MEETING  
HELD ON DECEMBER 3, 2018**

**PRESENT:**

**Board Members**

Bruce Charette  
Joan Valenti  
Robert Brochu  
Stephen Egan  
Robert Huelin  
Geoffrey Porter

**Other:**

Christopher Rowllins  
Joseph Swetcky

**CALL TO ORDER**

The meeting was called to order at 4:30 p.m. by Mr. Charette.

**PUBLIC COMMENTS**

There were no members of the public present.

**REVIEW AND ACTION ON THE MINUTES OF THE MEETING OF  
SEPTEMBER 4, 2018**

Mrs. Valenti moved to approve the minutes of the Retirement Board meeting of September 4, 2018. Mr. Egan seconded the motion, and the minutes were approved as presented.

**INVESTMENT PERFORMANCE REVIEW: QUARTER ENDED SEPTEMBER  
30, 2018**

Mr. Rowllins noted that under the Defined Benefit Fiduciary Governance Calendar FIA's focus for the quarter ended September 30 is on the Plan's asset/liability focus. He explained the methodology that is used to develop the portfolio's asset allocation. He noted that FIA uses mean-variance optimization as the basis for their asset allocation analysis. The current asset allocation of the Plan's portfolio is expected to provide an annual return of 6.42% over a 20-year term. Currently the asset allocation is 29.9% fixed income; 31.2% domestic equity; 20.3% international equity; 6.3% real estate; 4.8% inflation protection; and, 6.7% asset allocation. He indicated that based upon FIA's analysis they were not recommending any changes to the asset allocation at this time.

Mr. Rowllins then reviewed the status of the investment portfolio. At September 30, 2018 the market value of the portfolio was \$93.6 million. For the quarter the investments returned 2.0% which was .5% below the blended benchmark. Over the past year the portfolio returned 2.1% versus the benchmark's return of 2.5%. By asset class the returns versus benchmarks for the quarter were:

	<b>Qtr.</b>	<b>One Year</b>
<b>Fixed Income</b>		
Portfolio	0.5	-0.3
Benchmark	-0.1	-0.8
<b>Domestic Equity</b>		
Portfolio	7.0	18.1
Benchmark	7.1	17.6
<b>International Equity</b>		
Portfolio	-1.3	-0.3
Benchmark	0.7	1.8
<b>Real Estate</b>		
Portfolio	1.3	6.4
Benchmark	1.9	7.7
<b>Inflation Protected</b>		
Portfolio	-2.7	1.5
Benchmark	-1.3	4.5
<b>Asset Allocation</b>		
Portfolio	1.8	1.6
Benchmark	2.8	5.9

Mr. Rowllins noted that the Aberdeen Emerging Markets fund was still on FIA's Watch List due to performance issues. This was the third consecutive quarter they have been on the Watch List. In response to a question, Mr. Rowllins informed the Board that after a manager has been on the watch list for 4 quarters FIA considers the possibility of termination. He also pointed out that the Van Eck Global Hard Assets fund had a difficult quarter returning a -6.1% versus its benchmark which returned -2.0% This was mostly due to the fund's underweight in the energy sector which was a strong performer during the quarter. Mr. Rowllins left the meeting at 5:15 pm.

After Mr. Rowllins' departure the Board members briefly discussed the status of FIA's contract. It was noted that the contract was up for renewal in the spring of 2019. Several Board members felt that a discussion should take place concerning retaining FIA and the renewal of their contract. The Board members asked that information on FIA's current contract and fees be sent to them now so that they could review this information before the next Board meeting in February.

There being no further business, Mr. Huelin made a motion to adjourn the meeting. The motion was seconded by Mr. Brochu and approved. The meeting adjourned at 5:42 p.m.

Respectfully submitted,

Joseph Swetcky, Jr.  
Director of Finance