

**MINUTES OF THE TOWN OF FARMINGTON RETIREMENT BOARD
MEETING
HELD ON SEPTEMBER 4, 2018**

PRESENT:

Board Members

Bruce Charette
Joan Valenti
Robert Brochu
Steve Cohen
Stephen Egan
Joshua Allen
Kyle Cunningham
Geoffrey Porter

Other:

Christopher Rowllins
Joseph Swetcky

CALL TO ORDER

The meeting was called to order at 4:37 p.m. by Mr. Brochu.

INTRODUCTION OF MEMBERS

Mr. Brochu introduced himself to the other Board members and asked each person attending the meeting to introduce themselves.

PUBLIC COMMENTS

There were no members of the public present.

**REVIEW AND ACTION ON THE MINUTES OF THE MEETING OF
DECEMBER 7, 2017 AND MAY 3, 2018**

Mrs. Valenti moved to approve the minutes of the Retirement Board meeting of December 7, 2017. She also noted that her name was spelled incorrectly. Mr. Allen seconded the motion, and the minutes were approved as corrected.

Mrs. Valenti moved to approve the minutes of the Retirement Board meeting of May 3, 2018. She again noted that her name was spelled incorrectly. Mr. Egan seconded the motion and the minutes were approved as corrected.

INVESTMENT PERFORMANCE REVIEW: QUARTER ENDED JUNE 30, 2018

Mr. Rowllins noted that under the Defined Benefit Fiduciary Governance Calendar FIA's focus for the quarter ended June 30 is on the Plan's Investment Policy. He explained that an investment policy was necessary to establish the fiduciary responsibility of those involved in the management of the pension plan. The current investment policy was approved by the Retirement Board in August of 2015. At this time Fiduciary Investment Advisors was recommending that the Asset Allocation Table in the investment policy be updated to reflect investment decisions that the Board has made since 2015. The changes

involved changing the Target Weights of various asset classes. No other changes to the policy were recommended at this time. The Board did not have any objections to the proposed changes.

Mr. Rowlinson then reviewed the status of the investment portfolio. At June 30, 2018 the market value of the portfolio was \$89.7 million. For the quarter the investments returned .1% which was .6% below the benchmark. For the Plan Year July 1, 2017 to June 30, 2018 the portfolio returned 7.1% versus the benchmark return of 7.4%. By asset class the returns versus benchmarks were:

	Qtr.	Plan Year
Fixed Income		
Portfolio	-0.4	-1.0
Benchmark	-0.6	-1.2
Domestic Equity		
Portfolio	3.7	3.5
Benchmark	3.9	3.2
International Equity		
Portfolio	-4.1	-3.3
Benchmark	-2.6	-3.8
Real Estate		
Portfolio	1.9	3.5
Benchmark	1.8	3.8
Inflation Protected		
Portfolio	2.0	-0.1
Benchmark	4.2	2.2
Asset Allocation		
Portfolio	-3.2	-3.4
Benchmark	0.1	-0.5

In regards to specific managers/funds, the Eaton Vance Atlanta Capital SMID fund returned 3.7% for the quarter which put it in the 99th percentile versus its peers. For the year it returned 4.8% which was 3.25 below its benchmark. Aberdeen Emerging Markets returned a -11.1% for the quarter and -11.0 % for the year, which were well below the fund's benchmark. Aberdeen is on FIA's watch list due to underperformance versus its peers and benchmark. The Van Eck Global Hard Assets fund had a positive return for the quarter and year but significantly underperformed its benchmark for the quarter and year. The fund was underweighted in energy and over weighted in metals.

At the May 2018 meeting the Board had voted to move the Plan's holdings in the Wells Fargo Asset Allocation Fund to the GMO Global Balanced Asset Allocation III fund. The

move to GMO was completed in July 2018 so the results for this investment class still include the Wells Fargo's fund performance.

Mr. Rowlin also report that for the month of July, the portfolio stood at \$94.3 million. This amount included the annual Town contribution to the Plan of \$3.4 million. For the month the portfolio returned 1.7% versus its benchmark of 1.6%. Top performers for the month were: Templeton Global Bond Fund +3.3%; Eaton Vance Atlanta Capital SMID +3.4%; Aberdeen Emerging Markets +3.8%; and GMO Global Balanced Asset Allocation Fund +2.0%. Mr. Rowlin indicated that each investment class was within its target allocation at this time so no adjustments needed to be made.

There being no further business, Mr. Brochu made a motion to adjourn the meeting. The motion was seconded by Mr. Cohen and approved. The meeting adjourned at 5:25 p.m.

Respectfully submitted,

Joseph Swetcky, Jr.
Director of Finance

Approved by the Farmington Retirement Board on December 3, 2018