

Town of Coventry Pension Committee
Minutes of the Regular Meeting
April 27, 2016
7:00 PM – Town Hall, Conference Room B

The meeting was called to order at 7:00pm with the following members in attendance; Robert Murzyn, Ben Emanuele, Paul Jatkowski, Dave Powers and Cara Revett. Also attending, Beth Bauer, Finance Director, John O'Connor, Investment Advisor and Ben Lavine, Investment Advisor.

Approval of Minutes: Mr. Jatkowski moved to approve the minutes of the January 27, 2016 meeting. Mr. Powers seconded. It was noted that the listing of members had the column headings reversed between the first and last names of vendors and will be corrected. All voted in favor.

Review of Current Holdings: Mr. O'Connor introduced Mr. Lavine who will be replacing him as our contact at 3DAsset Management. Mr. O'Connor expressed his appreciation of the committee's time and interest. Mr. O'Connor reported on the equity investment noting that the calendar ytd shows a return of 2.2%, although the fiscal ytd has a loss of 4.02%. He distributed an account performance for the period ending 3/31/2016 and a 2016 first quarter market review. He turned the presentation over to Mr. Lavine. The recent market disruptions seem to be influenced by the Chinese economy and the devaluation of their currency and commodity weakness. However in mid-February the market held key support levels and reversed the downward direction. Some of the factors preceding the change were the dovish tone of the feds announcement concerning future rate increases and the filings from Berkshire Hathaway showing a purchase of energy stocks. Red flags for the next quarter revolve around international economies, specifically the possibility of Britain's exit from the European Union, the Greek economy, the Japanese economy and the level of debt in China. Mr. O'Connor and Mr. Lavine explained that the DFA model is to stay the course, but last January moved to overweight in emerging markets. They are cautiously bullish.

While Mr. O'Connor was still in the meeting the agenda item to discuss transferring funds from Schwab to TD Ameritrade was moved up.

TD Ameritrade: Mr. O'Connor restated the reasons to change the banking relationship. Schwab's fees are asset based while TD's fees are transaction based. Since our holdings have grown and the transactions are few the Town's Pension plan would see a savings in the neighborhood of \$7,000/year. The TD contract was reviewed by the Town Attorney who recommended that a cap be put on the fees that could be removed from the account. Mr. O'Connor indicated that he would rework the investment management agreement that the Town has with 3DAsset to set the control there, if the TD fees rise, the 3DAsset fees will reduce. He indicated he would send a reworded contract to Ms. Bauer. Mr. Emanuele moved and Ms. Revett 2nd that the equity account of the Town Pension plan is moved to TD Ameritrade, pending the satisfactory language change to the 3dAsset Management Agreement. All voted in favor.

There being no further questions, Mr. O'Connor and Mr. Lavine were excused from the meeting.

The committee reviewed the balance of the holdings. Total assets as of 3/31/16 are shown in the table below:

Pension Assets	3/31/2016	
Contract	Balance	Distribution
86988A - Fixed Town	4,867,562.70	38.13%
TD Banknorth	53,421.61	0.42%
3D Asset Management	7,843,998.53	61.45%
Total	12,764,982.84	
YTD		
Beginning Balance	12,606,985.38	6/30/15
Employer	565,362.00	
Employee	197,271.08	
Earnings	-190,036.75	
Distributions		
Benefit	361,149.80	
Fees	35,942.07	
Expenses	17,507.00	
	12,764,982.84	

As of 3/31/16 the balance between equity to fixed is 61/39 which is in line with the investment target. The committee reviewed the last quarter transactions and accepted by consensus.

Retirement review:

The following retirement calculations were reviewed.

Retirement Approvals - 4/27/16								
Name	Hire Date	Benefit Effective	Straight Life	10 yrs Certain	50% Joint and Survivor	75% Joint and Survivor	100% Joint and Survivor	Lump Sum
Cynthia Beaupre	12/4/1995	2/1/2016	163.12	n/a	n/a	n/a	na/	32,619
death benefit								

Other Business:

No other business was presented.

Mr. Powers **moved to adjourn at 8:15 pm.** Ms. Revett 2nd. All voted in favor.

Respectfully Submitted,

Beth Bauer