

Town of Coventry Pension Committee
 Minutes of the Regular Meeting 7/27/16
 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, Paul Jatkowski, Ben Emanuele and Cara Revett. Absent, Dave Powers. Also attending, Beth Bauer, Finance Director and Ben Lavine, Investment Advisor.

Approval of Minutes: Mr. Jatkowski moved to approve the minutes of the April 27, 2016 meeting. Ms. Revett seconded. All voted in favor.

Review of Current Holdings: Mr. Lavine reported on the equity investment. The portfolio has a quarterly return of 1.67% and a fiscal YTD of -2.89%. Overall the global equity markets are not strong; the U.S. holdings bring better returns. The Brexit vote was a surprise followed by a major selloff in global markets. Current problems are undermining the diversification concept, but 3DAdvisors and Dimensional Funds are holding strong to the plan to keep a diversified mix in the portfolio. Mr. Emanuele asked about the spread in returns between the DFA holdings and the Russell Domestic equity index which is approximately 4%. Mr. Lavine explained that the DFA holdings have a tilt to value which has slowed the portfolio returns. In addition, small caps have underperformed in this market; continued volatility has come hand in hand with a move to larger “safer names”. He noted that global small caps are performing better and the REIT exposure has given the portfolio some strength.

The company has a web site with resource materials available at 3Dadvisor.com. There being no further questions, Mr. Lavine was excused from the meeting.

The committee reviewed the balance of the holdings. Total assets as of 06/30/2016 are shown in the table below:

Pension Assets	6/30/2016	
Contract	Balance	Distribution
86988A - Fixed Town	4,912,334.06	38.10%
TD Banknorth	19,401.96	0.15%
3D Asset Management	7,974,920.55	61.85%
General Fund due to	-12,728.73	
Total	12,893,927.84	
YTD		
Beginning Balance	12,606,985.38	6/30/201
Employer	565,362.00	
Employee	245,912.02	
Earnings	-124.12	
Distributions		
Benefit	440,069.66	
Fees	47,496.41	
Expenses	36,641.37	
	12,893,927.84	

As of 6/30/16 the balance between equity to fixed is 62/38. Discussion was held concerning the balance of equity to fixed. Ms. Revett **moved to deposit the annual contribution of 617,847 into our GAC at MetLife. Mr. Jatkowski 2nd. All voted in favor.**

The transactions for the April to June quarter were reviewed and accepted.

Retirement review:

No retirements were presented for review.

Group Annuity Contract Annual Interest:

MetLife has set the interest rate for the FY 2016-17 at 3.5%. This compares with the rate in FY 2015-16 of 4.35%.

Other Business:

It was noted that the underlying fund holdings are missing from the report provided by 3D, and a request will be made to see if that information can be added back. The switch from Schwab to TDAmeritrade is still in the works. Final review by the Town Attorney will be requested.

Ms. Revett **moved to adjourn at 8:00pm.** Mr. Emanuele 2nd. All voted in favor.

Respectfully Submitted,

Beth Bauer