

WALLINGFORD PENSION COMMISSION MINUTES

SPECIAL MEETING

December 9, 2010

A special meeting of the Wallingford Pension Commission was held on Thursday, December 9, 2010 in Room 315 of the Town Hall Municipal Building, 45 South Main Street, Wallingford, Connecticut. The meeting was called to order at 4:00 p.m.

In attendance from the Commission were James Bowes, Peter Murphy, Terence Sullivan and William Pello. Present from Fiduciary Investment Advisors were Tony Tranghese, CFA, Mathew Kaminski and William Roehr. Two members of the public were also present.

1. Motion was made by J. Bowes, seconded by T. Sullivan to approve the minutes the October 28, 2010 meeting approved, 4-0.
2. Investment Policy Statement - The draft of December 2010, which was mailed to the Commissioners prior to the meeting was discussed. Motion by T. Sullivan, seconded P. Murphy to adopt the IPS (Dec. '10) as presented. Motion carried 4-0.
3. Divestment of OFI Managed Funds - OFI portfolio currently consists of treasuries (\$20m) and Large CAP stocks (\$40m) totaling \$60m. Mr. Tranghese noted 3 options for divestment from OFI: Option 1 is divestment of equities over several days and investment in large cap value index funds such as Vanguard Index Fund. Treasuries can be liquidated in one day and invested in Vanguard Short-term Bond Index Fund. Vanguard is recommended for their philosophy and low cost.

A second option is to hire a transition manager, which will add cost. A third option is to leave the securities in trust with Bank of America. This leaves no oversight of the individual investments.

Mr. Bowes moved that Option 1 be utilized and the OFI funds be transferred to Vanguard Index Funds. The motion was seconded by T. Sullivan and approved 4-0. Mr. Bowes reported that Bank of America would continue to be trustee of the total pension plan.

4. Investment Manager Search Results - Mr. Tranghese presented Manager Search results for fixed income – active and passive; and for Large Cap Value – active and passive.

Mr. Kaminski discussed a number of managers that specialized in Fixed Income; and Mr. Roehr discussed Large Cap Value managers.

After discussing factors such as long term and short term results, management style, risk and others the following actions were taken:

Motion by J. Bowes, seconded by T. Sullivan to interview Hillswick, Income Research and Management, MetWest and PIMCO for fixed income portion and Eaton Vance, Robeco, CS McKee and Diamond Hill for Large Cap Value.
Motion carried 4-0.

These interviews will be held on January 20, 2011 and February 3, 2011, Room 315 at 2:00 p.m.

Motion to adjourn by J. Bowes, seconded by T. Sullivan, carried 4-0 at 5:15 p.m.

Secretary