



WARWICK RETIREMENT SYSTEM
WARWICK CITY HALL, 3275 POST ROAD
WARWICK, RI 02886

RETIREMENT BOARD MEETING

June 17, 2015

The Retirement Board Meeting of June 17, 2015 was held in the Lower Level Conference Room and called to order at 3:09 p.m.

MEMBERS PRESENT:

Alfred Marciano	Donald Cimini	Brian Dunkley
Jane Jordan	Scott Small	Jeanne Muto-Kyle
William DePasquale	Timothy Kelly	Camille Vella-Wilkinson
Ernest Zmyslinski		

MEMBERS NOT PRESENT:

Scott Lajoie

ALSO IN ATTENDANCE:

Diana Pearson, Esq.

OLD BUSINESS:

1. **Minutes of Previous Meeting**

Minutes of the Retirement Board Meetings of January 2, 2015 & March 18, 2015 (open minutes & closed minutes) were brought before the Board for their review and approval.

MOTION: Scott Small

To approve the Retirement Board Open Minutes for January 2, 2015 and March 18, 2015.

Seconded by Camille Vella-Wilkinson and approved unanimously by the Board members present.

MOTION: Timothy Kely

To approve the Retirement Board Closed Minutes for March 18, 2015.

Seconded by Ernie Zmyslinski and approved unanimously by the Board members present.

William DePasquale noted for the record that he was absent from the closed session meeting on March 18, 2015.

2. Pension Ordinance Revision Update

Jane Jordan indicated there is no update at this time.

3. Portfolio Monitoring Report

Alfred Marciano advised the Board of updates on the Wright Medical Case. Our case was stayed in favor of a case that was filed in Delaware. The Delaware case apparently has settled for disclosures with no damages. We will be following Delaware's lead but there may not be any recovery.

There is another case that they reported on, we have a loss but there is lead plaintiff that has a much larger loss. We will be following their lead.

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NEW BUSINESS:

1. **PRESENTATIONS TO THE BOARD**

The following representatives made presentations to the Board on behalf of their companies and answered any related questions:

Infinity Benefit Recovery Program

Presented by Ed Caveney and Teddy Skokos

Pension Insurance Company (PICO)

Presented by Ralph Mollis and Karl Anderson

Evergreen Programs

Presented by Ernest Baptista

Materials for all presentations were distributed to the Board members in advance.

2. **Quarterly Performance Report**

Tony Tranghese, from Fiduciary Investment Advisors presented the quarterly performance report for the First quarter of 2015 along with year to date performance. Tony explained that the 1st quarter of the Define Benefit Fiduciary Governance Calendar focuses on fees. The weighted average investment management fee is 0.46%, in dollars for the calendar year end was approximately \$1,846,700. The custodian fee was approximately \$120,000. FIA Consulting fee was approximately \$110,000. State Street has shifted some of the primary back office team's responsibilities from Boston to Kansas City and as a result F.I.A.'s performance group that reconciles the statements has found many mistakes. Tony is in the process of scheduling a meeting with a senior person at State Street to try to fix the issue. F.I.A. is doing its job by catching monthly errors. If the issue cannot be fixed there is the possibility of having to go out to bid.

The S&P 500 rose 1.3% for the month while small cap stocks, as measured by the Russell 2000 index, advanced 2.3%.

Non U.S. equities have performed very well so far this year, the EAFE index is up 8.6%. Small Cap Stock is up 11.56% and emerging market is up 5.7%. Non U.S. has outpaced U.S. equities. The Municipal plan had a value of \$116,869,541 as of the end of May. Asset Allocation was pretty close to target. Allocation to international is 9.2% and about 44% is allocated to U.S. The global market's neutral standpoint is 50% international and 50% U.S. Tony doesn't believe that plans need to be 50/50, but moving more towards that ratio would be a good idea. The opportunity to add to non U.S. makes sense. Tony is proposing a 5% rebalancing from U.S. equities into international, which would get the dedicated percentage up to about 14% and to take pro-rata out of U.S. equity managers.

MOTION: Jeanne Muto-Kyle

To rebalance 5% from U.S. equities to International equities and take pro-rata out of U.S. equity managers.

Seconded by Donald Cimini and approved unanimously by the Board members present.

3. Cost of Living Adjustment

Included in the Board members packet is a letter from Gabriel, Roeder, Smith & Company dated June 15, 2015, stating there will be no Cost of Living Adjustment for this year. After some discussion the following motion was made.

MOTION: Scott Small

To accept the recommendation of Gabriel, Roeder, Smith & Company for no COLA increase this year.

Seconded by William DePasquale and approved unanimously by the Board members present.

4. Interest to be Applied to Contributions in the Plan

Alfred Marciano checked with Tony Trangese on the recommendation of William DePasquale as to how other municipalities apply interest to the plan. Tony advised that they use the three month T Bill rate. According to The Wall Street Journal dated June 16, 2015 that rate is 0.02%.

MOTION: Jeanne Muto-Kyle

To apply 0.02% interest for contributions in the plan.

Seconded by William DePasquale and approved unanimously by the Board Members present.

5. Retirement Applications

The following Retirement Applications were brought before the Board for their approval.

Date of Retirement	Retiree	Years of Service	Type of Pension	Amount of Pension
6/1/2015	Andrew Bathgate	33 years 5 months	75% Optional	\$4,011.11/\$3,008.33
6/1/2015	Barbara Cahoon	25 years 8 months	Social Security Level Income	Until age 62 \$3,065.81 At age 62 \$2,111.92

MOTION: Scott Small

To approve the Retirement Applications as submitted.

Seconded by Jeanne Muto-Kyle and approved unanimously by the Board members present.

6. Death Benefits

There were three Death Benefits @ \$8,000 and one for \$6,000 for a total of \$30,000 paid since the last Retirement Board of March 18, 2015.

MOTION: Timothy Kelly

To accept of the payments as submitted.

Seconded by Camille Vella-Wilkinson and approved unanimously by the Board members present.

The following invoices from Gabriel Roeder, Smith & Co. and F.I.A. were presented to the Board members for approval of payment.

7. Fiduciary Investment Advisors

Gabriel, Roeder, Smith & Company

<u>DATE</u>	<u>Invoice #</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
12/31/2014	411477	Actuarial Valuation	\$9,000.00
3/31/2015	412923	Actuarial Valuation	\$9,750.00
		subtotal	<u>\$18,750.00</u>
Fiduciary Investment Advisors			
3/31/2015	9611501	Quarterly Consulting Fee	\$7,904.00
		subtotal	<u>\$7,904.00</u>
		TOTAL	<u>\$26,654.00</u>

MOTION: Jeanne Muto-Kyle

To accept payment of the invoices as submitted.

Seconded by Ernest Zmyslinksi and approved unanimously by the Board members present.

8. Pending Litigation Update

Diana Pearson distributed copies of the complaint that was issued by the Attorney General's office and the answer filed by Peter Ruggeiro on behalf of the Board.

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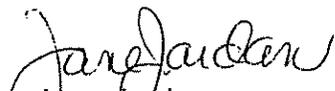
There was some discussion about the importance of the Open Meetings Law.

MOTION: Scott Small

To adjourn the Retirement Board Meeting of June 17, 2015.

Seconded by Jeanne Muto- Kyle and approved unanimously by the Board members present.

Respectfully submitted,


Jane Jordan
Secretary