

**TOWN OF SOUTH WINDSOR  
PENSION COMMITTEE  
MINUTES  
July 31, 2018**

The meeting was called to order at 8:32 a.m.

**Members Present:** Scott Custer, Deputy Chief of Police; Matthew Galligan, Town Manager; Patricia Lewis, Assistant Director of Finance; Michael Paré, Board of Education; Patricia Perry, Director of Finance

**Members Absent:** Saud Anwar, Town Council; Chris Chemerka, Board of Education; Jeffrey Glickman, Town Council; Matthew Riley, Town Council

**Also Present:** Anthony Tranghese, CFA, Principal, Fiduciary Investment Advisors, LLC

Mr. Custer made a motion to approve the January 31, 2018 and the April 25<sup>th</sup>, 2018 minutes. Ms. Lewis seconded the motion; and it was approved, unanimously. The April 17<sup>th</sup>, 2018 minutes listed on the agenda are a clerical error. There was no meeting of this Committee on that date.

Mr. Tranghese gave a Quarterly Investment Review and key updates (copy with original minutes). The Investment Policy Statements are in good standing. The market has continued its pattern of reversion to volatility. Small cap equities are outperforming large-cap equities. There is evaluation opportunity in emerging markets. Mr. Tranghese recommended that the Town consider diversifying its fixed income allocation.

Mr. Tranghese also reviewed a document detailing asset allocation (copy with original minutes). There are some cases of investment underperformance, but these are balanced out by positive returns in other areas. Mr. Paré asked why FIA is comfortable staying with underperforming investments. Mr. Tranghese said that most of the underperformance has occurred in a recent timeframe. Performance is cyclical, and there should be improvement in the future. FIA will continue to monitor the market, but there are no recommendations for change at this time.

Ms. Perry brought up Wells-Fargo, the current custodial bank for the Town. Wells-Fargo is under watch for problems that have occurred with personal accounts. Under recommendation of the Town Attorney, the Town has researched other banks. People's Bank and United Bank were considered, with People's Bank having the most reasonable fees. These fees are comparable to Wells-Fargo's fees. Ms. Perry said she is comfortable with the Town's relationship with Wells-Fargo, because the issues that have occurred do not affect custodial banking. The Town does not have an account with the bank. Wells-Fargo simply holds Town funds briefly until they are dispersed or invested. Ms. Perry also mentioned the OPEB trust, which the Town has waited to invest until the custodial bank issue is resolved.

Ms. Perry asked the Committee for recommendations on whether to stay with Wells-Fargo or switch to People's. Mr. Custer said that if the Town is satisfied with Wells-Fargo's service, the Town should stay. Mr. Galligan agreed, saying that the Town has not yet had any problems with Wells-Fargo. The OPEB trust should be invested so that the Town can begin earning money on it. Ms. Perry agreed.

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Mr. Custer made a motion to keep Wells-Fargo as the Town's custodial bank. Ms. Perry seconded the motion; and it was approved, unanimously.

The next regular meeting was scheduled for October 30, 2018 at 8:30 a.m. in the Madden Room.

Mr. Paré made a motion to adjourn at 9:10 a.m. Mr. Custer seconded the motion; and it was approved, unanimously.

Respectfully submitted,

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Samara Haddock  
Recording Secretary