MINUTES OF THE GENERAL EMPLOYEE RETIREMENT BOARD HELD ON MONDAY, AUGUST 31, 2009

I. CALL TO ORDER

The special meeting of the General Employees Retirement Board was called to order by Chairman, James Karman at 8:30a.m. on Monday, August 31, 2009, in the Central Fire Station EOC Room. On roll call, Chair James Karman, Trustees Peter Elwell, Lisa Gorman, and Brett Madison were present. Trustee Alvin Parven was absent. Also in attendance were Human Resources Director and Plan Administrator William Crouse and by telephone Callan Associates representative John Carr.

II. APPROVAL OF AGENDA

Motion to amend the agenda to include the approval of minutes of the Special Joint Meeting of the General Employee Board of Trustees and Police Officer Board of Trustees held on Tuesday, August 18, 2009.

Motion to approve the amended agenda made by Mr. Madison. Seconded by Ms. Gorman.

III. APPROVAL OF MINUTES OF QUARTERLY MEETING OF AUGUST 14, 2009. APPROVAL OF MINUETS OF SPECIAL JOINT MEETING OF AUGUST 18, 2009.

August 14, 2009 Minutes - Changes were suggested by Mr. Elwell and Mr. Madison. Minutes were approved as amended. **Motion by Mr. Elwell. Seconded by Ms. Gorman.**

August 18, 2009 Minutes - Changes were suggested by Mr. Elwell. Minutes were approved as amended. **Motion by Mr. Madison. Seconded by Ms. Gorman.**

IV. GENERAL COMMENTS BY BOARD MEMBERS

Mr. Karman commented about the September 10, 2009 Town Council Meeting. A discussion ensued regarding the report being presented by the General Employee Retirement Board to the Council during that meeting.

Mr. Karman requested that Mr. Carr be available for additional questions to prepare for the council meeting. Mr. Carr stated that he will be available this afternoon and tomorrow morning before 12pm.

V. DISCUSSION OF THE BOARDS ASSET ALLOCATION

A report was presented by Mr. Carr which can be found on the Town's website. The Board discussed current and alternative asset allocation options. Mr. Madison asked about the difference in return of the asset classes. Mr. Carr discussed the risk/return profile (see slide #2). Mr. Karman discussed the need to lower the risk and increase the return on assets. Mr. Elwell discussed the long term projected numbers of the asset options including projected return and projected risk. Ms. Gorman, Mr. Madison, Mr. Elwell, and Mr. Karman discussed the Action Plans presented by Mr. Carr. Mr. Elwell and Mr. Carr discussed investing in real estate funds including the risk, the funding, the real estate market, and the time frame to potentially invest in real estate. Mr. Madison discussed his concern with the lack of liquidity with real estate investments. Mr. Elwell stated his opinion regarding the investment options and that he is comfortable with asset allocation option #1 presented in Mr. Carr's presentation and indexing the large cap.

Motion
Motion to approve asset allocation option #1 (mix) on page one of the report presented by Callan which can be found on the Town's website. Motion to approve indexing the large cap US equity investments in the portfolio fully. Motion to approve the implementation timeline which directs Mr. Carr and Mr. McCracken to take all actions necessary to start the implementation process and provide updates to the Board during the next board meeting in November. In November, the board will further consider the implementation.

Motion made by Mr. Elwell. Seconded by Ms. Gorman

Discussed the need to consult with Analytic and Madison Square regarding withdrawing the funds and the notice that is required to do so.

VI. ANY OTHER MATTERS

No others matters to discuss

VII. ADJOURNMENT

Motion made by Ms. Gorman. Seconded by Mr. Madison at 9:30am