

**Regional School District 13 Board of Education  
Minutes of the Educational Resources Committee  
August 25, 2015**

The Regional District 13 Board of Education Educational Resources Committee met in special session on Thursday, August 25, 2015, at 7:00 p.m. in the Board Room at the Regional School District 13 Administrative Office, 135 Pickett Lane, Durham, Connecticut.

Committee members present: Mrs. Flanagan, Mr. Fulton, Mr. Hicks, Dr. Onofreo and Mr. Renninghoff

Administrators present: Business Manager Ron Melnik

Also present: Thomas Forma representing Morgan Stanley

Chairman Robert Fulton called the meeting to order at 7:04 p.m. after it was determined that a quorum was present.

**1. Public Comment**

There was no public comment.

**2. Approval of Agenda**

Mr. Hicks moved to approve the agenda. Dr. Onofreo seconded the motion.

In favor of the motion: Mrs. Flanagan, Mr. Fulton, Mr. Hicks, Dr. Onofreo and Mr. Renninghoff

Opposed to the motion: None

Abstained from voting: None

Motion passed.

**3. Approval of Minutes of August 11, 2015**

Mrs. Flanagan moved to approve the minutes of August 11, 2015. Mr. Renninghoff seconded the motion.

Mr. Fulton asked a correction be made in that the legal agreement was not

present at the meeting and the BOE will be sure to deliver that document to the Coginchaug Soccer Club.

In favor of the motion as amended: Mrs. Flanagan, Mr. Fulton, Mr. Hicks, Dr. Onofreo and Mr. Renninghoff

Opposed to the motion: None

Abstained from voting: None

Motion passed.

#### **4. Pension Plan Review**

Tom Forma of Morgan Stanley explained the current volatility in the current stock market. He distributed a document outlining S & P 500 Corrections of greater than five percent since March 2009 low. He stated that this is the biggest price drop in the Dow ever. He also distributed the document outlining annual returns and intra-year declines and explained declines versus calendar year returns. The current market is not about volatility but in the type of manager that is chosen to weather the storm. Mr. Fulton looked for information on the upside of the market to compare what is happening now. Mr. Forma stated that there is currently not a comparable upside to the market.

Mr. Forma distributed a performance report outlining the holdings in the RSD13 pension fund. He explained in detail the nuances of the report to the committee. He further explained how the district pension fund is managed and how that is related to the current state of the economy. Mrs. Flanagan mentioned that we should be paying close attention to the bottom line as that determines how the fund is funded in the next budget. We have had a volatile year and the managers did not do what they were supposed to do. However, the recommendation is to not change the strategy or the managers because the district is so well funded.

The committee reviewed Time Weighted Performance Detail and how each of the managers performed. Mr. Fulton asked that next meeting the managers might be compared to their peers that may have an influence on how the district may invest and update the strategy. Mr. Forma explained how managers operate and how they may be compared relative to each other.

Mrs. Flanagan asked how long should we ride the downturn out until we meet again. Tom replied that we should probably meet quarterly beginning in November.

## 5. Public Comment

Chuck Stengel asked if fees for 10B get reimbursed to the pension fund. Mr. Melnik responded that the district does not have any mutual funds so there are no fees involved.

## 6. Adjournment

Mr. Renninghoff moved to adjourn the meeting at 8:13 p.m. Dr. Onofreo seconded the motion.

In favor of the motion: Mrs. Flanagan, Mr. Fulton, Mr. Hicks, Dr. Onofreo and Mr. Renninghoff

Opposed to the motion: None

Abstained from voting: None

Motion passed.

Respectfully submitted,

*Norm Hicks*

Norman Hicks