

**CITY OF EAST PROVIDENCE
POLICE & FIRE RETIREMENT SYSTEM
JOURNAL**

A special meeting of the Police & Fire retirement System Board of Trustees WAS held on Thursday, the 29th of July at 9:00 AM in Conference Room A at City Hall.

Trustees:

CH Lt. James Bellamy, Chairman, Fire Representative – Present /~~Absent~~
WN Lt. William Nebus, Police Representative – Present /~~Absent~~
WA William C. Andre, Retiree Representative – Present /~~Absent~~ Left 10:44
JB John Bovi, Civilian Representative – Present /~~Absent~~
RC Robert E. Cusack, Council Representative – Present /~~Absent~~ Left 10:50
RB Richard M. Brown, City Manager – ~~Present~~ /Absent
DG Donald E. Gray, Jr., Director of Finance, Administrator Secretary – Present /~~Absent~~

Additional Attendees:

Mike Dwyer, Wainwright Investments, City’s Pension Consultants
Jeff Fabrizio, Wainwright Investments, City’s Pension Consultants Arrived 9:32
Denise D’Entremont, RhumbLine Advisers

The meeting was called to order at 9:05AM.

1. Approval of Minutes of Meeting of June 24, 2010.

Motion to Approve:

BY: WA 2nd: RC Vote: Yea: 6 Nay: 0

Items Received for the Record:

1. Letter to Edgewood Management LLC terminating their services.

Motion to receive for the record:

BY: DG 2nd: RC Vote: Yea: 6 Nay: 0

2. Report from Jeff Fabrizio, Wainwright Investments re. Discussions with “Bank Loan Managers”

Motion to receive for the record:

BY: DG 2nd: RC Vote: Yea: 6 Nay: 0

Jeff reported on the Pro's and Con's of investing in Bank Loans. While it is his opinion that this investment vehicle has the possibility to achieve positive results, it is his recommendation that the Board take a wait and see attitude until there is some change in the market environment.

3. Update on Edgewood Management Company liquidation and transfer to Rhumbline Advisors Mid Cap Index Fund by Mike Dwyer, Wainwright Investments.

Motion to receive for the record:

BY: RC 2nd: WA Vote: Yea: 6 Nay: 0

Denise D'Entremont of RhumbLine gave a presentation on RhumbLine explaining their passive investment strategy, stating their flexibility by their willingness to customize for accounts of all sizes and their reputation for delivering dependable client service. Promotional handouts were distributed.

The Board directed the Director of Finance to direct Bank of America to initiate the transfer of \$8,000,000 received from Edgewood as soon as possible. Preferable today. No vote was deemed necessary

4. Review Plan's "Market Value & Performance Estimates as of June 2010", led by Wainwright Investments, Trustees Advisors

Mike Dwyer reviewed his handout of his Portfolio Market Value and Return Summary.

Motion to receive for the record:

BY: RC 2nd: WN Vote: Yea: 6 Nay: 0

Items to be acted upon:

1. Discussion of Written Investment Policy

Wainwright handed out a copy of a "boiler plate" Sample Investment Policy Statement for the Board to review and plan to discuss at the next meeting. It was suggested that Wainwright do an independent survey of each member of the Pension Board to determine each members risk level and to combine them together to create a risk level of the entire Board as a whole. Once this has been accomplished, an Asset Allocation Study will be able to be performed to determine the Asset Allocation that would be most appropriate for the Pension Board. At that point, the Board can determine which sectors and asset classes to invest the Funds assets into. Further discussion will continue at the next meeting.

2. Continued discussion on Hedge Fund of Funds Investment

Wainwright led the discussion pertaining to Hedge Fund of Funds Investments. It was suggested that this vehicle would help to offset increased losses in a down market but may curtail increases slightly in an up market. It was determined that the Board would continue to evaluate the appropriateness of this type of investment, but would hold off until a new investment policy statement was completed.

3. Items brought to the attention of the Trustees

The Chairman was requested by Wainwright Investments to request the City Manager to write a letter authorizing the new Director of Finance, Donald E. Gray, Jr., as a signatory for all documents, accounts and correspondence of the City of East Providence Police and Fire Retirement System.

The Director of Finance was requested to have retired firefighter Mr. Alan R. Kenny's request for a transfer from a Regular Retirement to a Disability Retirement place on the next agenda for discussion.

NEXT MEETING SCHEDULED FOR THURSDAY August 26, 2010

Meeting Adjourned 10:52AM

Respectfully submitted by:

Donald E. Gray, Jr.
Interim Director of Finance
Administrator & Secretary
Police & Fire Retirement System