OFFICE OF SELECTMEN
860-779-3411 Option 2

TOWN CLERK
(860) 779-3411 Option 4

TAX COLLECTOR
(860) 779-3411 Option 5

ASSESSOR
(860) 779-3411 Option 6

TOWN OF BROOKLYN

P.O. Box 356 - Route 6 and 169
BROOKLYN, CONNECTICUT 06234

Board of Finance
Regular Meeting Minutes
Wednesday, February 17, 2016
7:00pm Clifford B. Green Memorial Center

Present: Jeff Otto, Drew Dionne, Ken Dykstra, Sandy Brodeur, Kim Conroy and Melissa Bradley; Recording Secretary
Absent w/ Notification: Gene Michael Deary

Also Present: Rick Ives, Bob Kelleher, Joe Voccio, Sherry Holmes, Lou Brodeur, Aimee Genna, Patrick Gauthier, Austin Tanner, Jim Warren, Art Meizner from Hooker & Holcombe and Fran from the Bulletin

1. **Call the Meeting to Order:** Mr. Otto called the meeting to order at 7:00pm.

2. **Public Comment:** None

3. **Approve Minutes from January 20, 2016:** Drew Dionne made a motion to approve the meeting minutes from January 20, 2016 as presented. Sandra Brodeur seconded the motion. Motion passed 5-0.

4. **Presentation from Art Meizner from Hooker & Holcombe:** Mr. Meizner reviews the fourth quarter review of the employee retirement plan. There is 60% invested in stocks and 40% in bonds. The fund is up 2.7% for the quarter, down .6% for the year. Mr. Meizner recommends no changes but will be watching the Loomis and Oakmark funds.

5. **Presentation from Janette Marcoux from First Southwest:** Ms. Marcoux has not arrived to the meeting. Drew Dionne made a motion to move this item in between #7 & #8 to allow time for her arrival. Kim Conroy seconded the motion. Motion passed 5-0.

6. **Presentation of Quarterly Reports from Fire Commissioners:** Chief Brodeur presents the quarterly report from July 1st, 2015 – December 31st, 2015 for Mortlake. The ambulance report was included as well. The East Brooklyn Department dropped their quarterly report off to the First Selectman's office; the board did not recall receiving it. It will be emailed to the board again.

7. **Finance Director Report:** The auditors will be finishing up in the next two weeks. They will have the management letter drafted and it will be given to the board to review prior to submitting.

Training for the new accounting software is in progress now. The school is involved as well. The training will last about four months. The program will go live July 1st and the current system will be running parallel as a double check. This will continue for at least six months.

Sandra Brodeur would like to see the expenses on a monthly base versus year-to-date.

Ms. Marcoux did not arrive, meeting will proceed as usual.

8. **Selectman's Report:** Because the school is locked in for the diesel fuel price, it may be cheaper to be buying it at the gas pumps. There are reports involved; Mr. Ives is going to look further into it.

   There will be a special meeting of the Board of Selectmen on March 17th to discuss the Resource Recovery Board. Mr. Ives is waiting on information from the attorney.

   The Assessment Facilities will be scheduled to meet soon for the first time. Ken Dykstra will be the representative from the Board of Finance.

   All departments are completed in the 2016-17 budget. There are three or four boards/commissions left. The next budget workshop is this Saturday.

9. **Discussion on 2015-16 Budget:** No discussion.

10. **Discussion on 2016-17 Budget:** Budget Schedule will be as follows:
    - March 16th – Board of Fire Commissioners
    - March 30th – General Government and Recreation
    - April 13th – Capital
    - April 20th – Board of Education
    - April 27th – Final Review

11. **Liaison Reports:** No updates

12. **Other Business:** Sandra Brodeur questions if someone can fix the shower at the Senior Center so it can be used as a shelter. Mr. Ives will have someone look at it, but there are several other factors to be discussed before it can be used as a shelter.

13. **Adjourn:** Sandra Brodeur made a motion to adjourn the meeting. Drew Dionne seconded the motion. Meeting adjourned at 8:10pm.

Respectfully Submitted;

Melissa J. Bradley

Melissa J. Bradley
Recording Secretary

MORTLAKE

FIRE COMPANY
BROOKLYN, CONN.

2015 – 2016 FIRE AND AMBULANCE QUARTERLY REPORTS

Lou Brodeur, Chief

MORTLAKE FIRE COMPANY, INC. - FIRE SERVICE

Fire Activities Actual vs. Budget

July 1, 2015 thru December 31, 2015

	July thru Sept			Oct thru Dec			Year to Date		
Description	Actual	Budget	Variance Over (Under)	Actual	Budget	Variance Over (Under)	Actual	Budget	Variance Over (Under)
Revenues:									
Fire Income - Town Funding	28,537.50	28,537.50	0.00	28,537.50	28,537.50	0.00	57,075.00	57,075.00	0.00
Total Revenues	28,537.50	28,537.50	0.00	28,537.50	28,537.50	0.00	57,075.00	57,075.00	0.00
Expenses:									
Building	3,967.07	5,000.00	(1,032.93)	(2,270.41)	5,000.00	(7,270.41)	1,696.66	10,000.00	(8,303.34)
Education	1,374.70	425.00	949.70	(575.00)	425.00	(1,000.00)	799.70	850.00	(50.30)
Equipment	10,117.57	750.00	9,367.57	85.00	750.00	(665.00)	10,202.57	1,500.00	8,702.57
Insurance	6,532.70	6,000.00	532.70	6,532.70	6,000.00	532.70	13,065.40	12,000.00	1,065.40
Memberships	80.00	37.50	42.50	95.45	37.50	57.95	175.45	75.00	100.45
Miscellaneous*	285.65	25.00	260.65	328.41	25.00	303.41	614.06	50.00	564.06
Office Expense	726.09	625.00	101.09	524.34	625.00	(100.66)	1,250.43	1,250.00	0.43
Physicals/Vaccinations	164.00	625.00	(461.00)	738.00	625.00	113.00	902.00	1,250.00	(348.00)
Postage	41.77	50.00	(8.23)	59.12	50.00	9.12	100.89	100.00	0.89
Professional Fees	533.46	1,250.00	(716.54)	6,619.96	1,250.00	5,369.96	7,153.42	2,500.00	4,653.42
Repair & Replace **	12,701.58	7,625.00	5,076.58	2,759.23	7,625.00	(4,865.77)	15,460.81	15,250.00	210.81
Uniforms	0.00	625.00	(625.00)	0.00	625.00	(625.00)	0.00	1,250.00	(1,250.00)
Utilities-Electric	1,496.60	1,750.00	(253.40)	1,327.41	1,750.00	(422.59)	2,824.01	3,500.00	(675.99)
Utilities-Heating	198.00	2,125.00	(1,927.00)	1,067.47	2,125.00	(1,057.53)	1,265.47	4,250.00	(2,984.53)
Utilities-Telephone	488.75	625.00	(136.25)	482.81	625.00	(142.19)	971.56	1,250.00	(278.44)
Diesel Fuel - Vehicles	1,106.26	1,000.00	106.26	381.77	1,000.00	(618.23)	1,488.03	2,000.00	(511.97)
Total Expenses	39,814.20	28,537.50	11,276.70	18,156.26	28,537.50	(10,381.24)	57,970.46	57,075.00	895.46
Exp Over (Under) Rev	11,276.70	0.00	11,276.70	(10,381.24)	0.00	(10,381.24)	895.46	0.00	895.46

*Alarm, Licenses, Water/Sewer

**Equip. Maint., HazMat, Radios, Supplies, Vehicle Maint.

$7,000 to be spent to repair driveway this spring.

Includes $3,534 insurance reimbursement for ice damage expensed in 1st half of calendar year.

Includes $9,000 to replace Hurst tool (jaws of life).

$6,100 cost of fixed asset inventory not budgeted.

Safety Program	Jul-Sep '15			Oct-Dep '15			YTD		
	Actual	Budget	Over (Under)	Actual	Budget	Over (Under)	Actual	Budget	Over (Under)
Revenues:									
Safety Income - Town Funding	7,693.69	7,693.75	(0.06)	7,693.77	7,693.75	0.02	15,387.46	15,387.50	(0.04)
Total Revenues	7,693.69	7,693.75	(0.06)	7,693.77	7,693.75	0.02	15,387.46	15,387.50	(0.04)
Expenses:									
Hoses				6,385.00			6,385.00		
Bunker Gear	609.00			3,019.00			3,628.00		
Scott Airpacks	2,251.85			130.70			2,382.55		
Hose Testing	2,935.00						2,935.00		
Ladder Testing	527.00						527.00		
Total Expenses	6,322.85	7,693.75	(1,370.90)	3,149.70	7,693.75	(4,544.05)	9,472.55	15,387.50	(5,914.95)
Exp Over (Under) Rev	(1,370.84)	0.00	(1,370.84)	(4,544.07)	0.00	(4,544.07)	(5,914.91)	0.00	(5,914.91)

Note: Safety Budget is not broken down into line item detail.

MORTLAKE FIRE COMPANY, INC.

Ambulance Activities Actual vs. Budget

July 1, 2015 thru December 31, 2015

	July thru Sept			Oct thru Dec			Year to Date		
Description	Actual	Budget	Variance Over (Under)	Actual	Budget	Variance Over (Under)	Actual	Budget	Variance Over (Under)
Revenues:									
Income - Ambulance Revenue	91352.38	89,000.00	2,352.38	102,561.22	89,000.00	13,561.22	193,913.60	178,000.00	15,913.60
Fire Income - Town Funding	5,000.06	5,000.00	0.06	4,999.98	5,000.00	(0.02)	10,000.04	10,000.00	0.04
Total Revenues	96,352.44	94,000.00	2,352.44	107,561.20	94,000.00	13,561.20	203,913.64	188,000.00	15,913.64
Expenses:									
Building	(944.19)	650.00	(1,594.19)	3,021.50	650.00	2,371.50	2,077.31	1,300.00	777.31
Education	0.00	500.00	(500.00)	0.00	500.00	(500.00)	0.00	1,000.00	(1,000.00)
Equipment	133.94	750.00	(616.06)	7,307.00	750.00	6,557.00	7,440.94	1,500.00	5,940.94
Fees-Ambulance Billing	7,012.08	6,500.00	512.08	8,048.95	6,500.00	1,548.95	15,061.03	13,000.00	2,061.03
Fees-ALS	0.00	3,675.00	(3,675.00)	8,821.94	3,675.00	5,146.94	8,821.94	7,350.00	1,471.94
Insurance	3,725.80	3,325.00	400.80	3,725.80	3,325.00	400.80	7,451.60	6,650.00	801.60
Oxygen Tank Lease	76.77	43.75	33.02	86.62	43.75	42.87	163.39	87.50	75.89
Licenses	0.00	12.50	(12.50)	0.00	12.50	(12.50)	0.00	25.00	(25.00)
Loan-Principle/Interest	8,883.15	5,886.25	2,996.90	8,883.15	5,886.25	2,996.90	17,766.30	11,772.50	5,993.80
Medical Supplies	1,289.35	1,375.00	(85.65)	3,250.64	1,375.00	1,875.64	4,539.99	2,750.00	1,789.99
Miscellaneous*	490.86	500.00	(9.14)	342.20	500.00	(157.80)	833.06	1,000.00	(166.94)
Office Expense	966.11	1,250.00	(283.89)	1,393.17	1,250.00	143.17	2,359.28	2,500.00	(140.72)
Pay Per Call	9,507.41	10,250.00	(742.59)	9,933.41	10,250.00	(316.59)	19,440.82	20,500.00	(1,059.18)
Physicals/Vaccinations	0.00	125.00	(125.00)	305.00	125.00	180.00	305.00	250.00	55.00
Postage	126.52	100.00	26.52	82.69	100.00	(17.31)	209.21	200.00	9.21
Professional Fees	1,035.51	1,750.00	(714.49)	5,749.01	1,750.00	3,999.01	6,784.52	3,500.00	3,284.52
Radios	0.00	125.00	(125.00)	737.24	125.00	612.24	737.24	250.00	487.24
Refunds	185.19	250.00	(64.81)	115.43	250.00	(134.57)	300.62	500.00	(199.38)
Uniforms	0.00	125.00	(125.00)	0.00	125.00	(125.00)	0.00	250.00	(250.00)
Utilities-Electric	588.29	675.00	(86.71)	515.91	675.00	(159.09)	1,104.20	1,350.00	(245.80)
Utilities-Heating	99.00	1,550.00	(1,451.00)	788.97	1,550.00	(761.03)	887.97	3,100.00	(2,212.03)
Utilities-Telephone	214.98	225.00	(10.02)	212.01	225.00	(12.99)	426.99	450.00	(23.01)
Utilities-Water/Sewer	161.26	75.00	86.26	48.42	75.00	(26.58)	209.68	150.00	59.68
Diesel Fuel - Vehicles	1,863.38	1,750.00	113.38	1,629.47	1,750.00	(120.53)	3,492.85	3,500.00	(7.15)
Vehicle Maintenance	404.05	1,000.00	(595.95)	3,835.30	1,000.00	2,835.30	4,239.35	2,000.00	2,239.35
Vintech-Staffing	50,015.74	49,000.00	1,015.74	52,617.21	49,000.00	3,617.21	102,632.95	98,000.00	4,632.95
Wages-Office	3,112.98	2,532.50	580.48	2,925.88	2,532.50	393.38	6,038.86	5,065.00	973.86
Total Expenses	88,948.18	94,000.00	(5,051.82)	124,376.92	94,000.00	30,376.92	213,325.10	188,000.00	25,325.10
Exp Over /(Under)Rev	(7,404.26)	0.00	(7,404.26)	16,815.72	0.00	16,815.72	9,411.46	0.00	9,411.46

*Bad Debts, Bank Fees, Collection Fees

Includes $3,534 insurance reimbursement for ice damage. Actual expense included in prior quarter.

Purchased new ambulance. 1 yr loan for $35,000 or $2,900 per month.

Purchased defib batteries (every 5 yrs). 8 batteries @ $1,700.

$1,463 inventory not budgeted. Computer system back-up higher than budgeted.

East Brooklyn

July 1 through December 31, 2015

Expenditures	Budget	Actuals
Department Building:		
431 Capital	0.00	0.00
432 Building repairs & maintenance	6,100.00	1,029.00
433 Building improvements	7,600.00	7,578.00
434 Utilities	18,600.00	8,682.00
435 Building miscellaneous	0.00	0.00
	32,300.00	**17,289.00**
Department Operating Expense:		
441 Insurance	12,700.00	6,434.00
442 Legal & professional	900.00	399.00
443 Office supplies	3,000.00	1,438.00
444 Physicals & vaccination	2,150.00	0.00
445 Entertainment, travel & meetings	25.00	0.00
446 Chief's account	25.00	0.00
447 Department miscellaneous	0.00	0.00
	18,800.00	**8,271.00**
Department vehicles:		
451 Vehicle cost	0.00	0.00
452 Vehicle fuel	2,400.00	1,576.00
453 Intentional blank	0.00	0.00
454 Vehicle repairs & maintenance	7,200.00	4,443.00
455 Vehicle inspection & permits	100.00	0.00
456 Vehicle miscellaneous	0.00	0.00
	9,700.00	**6,019.00**
Department Fire & EMS Service:		
461 Capital fire equipment plan	0.00	0.00
462 Fire & EMS; tools & equipment	15,851.00	8,053.00
463 Fire & EMS; repairs & maintenance	1,300.00	127.00
464 Fire & EMS; inspection & testing	2,010.00	2,282.00
465 Fire & EMS; training & certification	3,400.00	2,430.00
466 Protective gear & uniforms	1,250.00	0.00
467 Fire & EMS miscellaneous	0.00	0.00
	23,811.00	**12,892.00**
Total Operations Budget	**84,611.00**	**44,471.00**
461 Capital fire equipment plan	16,270.00	16,270.00
Total Budget	**100,881.00**	**60,741.00**

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The Elements of Success

h&h

hooker & holcombe

Fourth Quarter Review 2015

Retirement Plan for Employees of the Town of Brooklyn

Town of Brooklyn
4 Wolf Den Road
P.O. Box 356
Brooklyn, CT 06234

Returns By Style

Q4

	Value	Blend	Growth
Large	5.6	7.0	7.3
Medium	3.1	3.6	4.1
Small	2.9	3.6	4.3

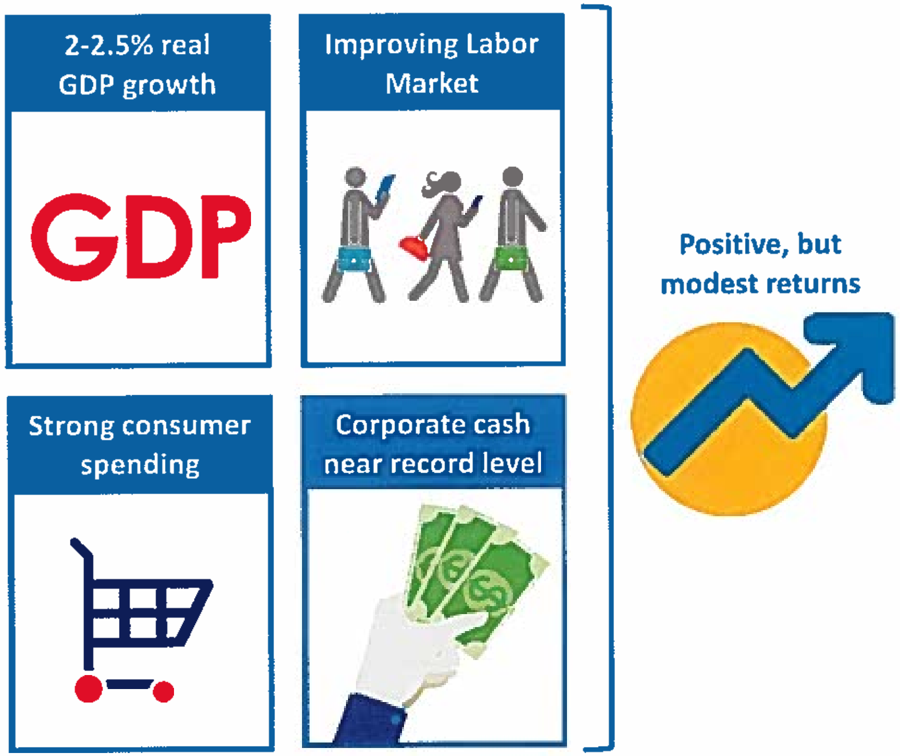
2015

	Value	Blend	Growth
Large	-3.8	1.4	5.7
Medium	-4.8	-2.4	-0.2
Small	-7.5	-4.4	-1.4

Source: Morningstar

Outlook:

- Fed officials are forecasting a 1% increase in short-term rates in 2016. It should not hurt the stock market.
- After a bumpy ride in 2015, corporate earnings are expected to stabilize in 2016 as the markets will adjust to strong U.S. dollar and low oil prices.
- Market volatility is likely to remain preeminent the coming year.
- Positive, but modest returns seem possible in 2016.



Quarterly Review:

- The last quarter of 2015 saw a comeback of U.S. stocks and the year ended slightly positive. S&P 500 Composite Index had a quarterly return of 7% and an annual return of 1.4%.
- The biggest losers for the year were Energy (-21%) and Materials (-8.4%) hurt by the rising U.S. dollar and falling oil prices. The winners for the year were Consumer Discretionary (10%) and Health Care (6.9%) as consumer spending improved and political twittering wore off in Q4.
- Growth-oriented companies outperformed the value-oriented ones during both the last quarter and the year.
- Overall the final quarter of 2015 was positive for the U.S., whose market outperformed global, developed and emerging markets.

Global Equity Market Returns

	2015		2014	
Country / Region	Local	USD	Local	USD
Regions / Broad Indexes				
All Country World	1.8	-1.8	9.9	4.7
U.S. (S&P 500)	-	1.4	-	13.7
EAFE	5.8	-0.4	6.4	-4.5
Europe ex-U.K.	9.1	0.1	7.4	-5.8
Pacific ex-Japan	-0.8	-8.4	5.8	-0.3
Emerging Markets	-5.4	-14.6	5.6	-1.8
MSCI: Selected Countries				
United Kingdom	-2.2	-7.5	0.5	-5.4
France	12.3	0.8	3.6	-9.0
Germany	10.0	-1.3	2.8	-9.8
Japan	10.3	9.9	9.8	-3.7
China	-7.7	-7.6	8.3	8.3
India	-1.6	-6.1	28.4	23.9
Brazil	-12.5	-41.2	-2.8	-13.7
Russia	22.9	5.0	-12.1	-45.9

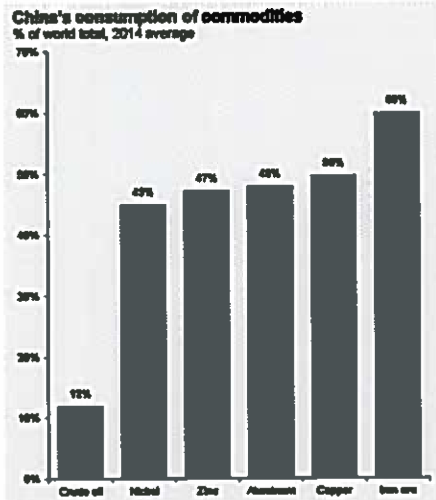
Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management.

Quarterly Review:

- International markets generally had a strong 4th quarter, although country specific results were mixed for the year.
- The Dollar (USD) strengthened against most currencies for the year negatively impacting returns for U.S. investors in virtually every major foreign market.
- The MSCI EAFE Index was up 4.8% USD (+6.4% local) for the quarter but slightly down for the year at -0.4% (+5.8% local).
- The MSCI Emerging Markets Index was the big loser for the year, down 14.6% USD (-5.4% local).
- China recovered somewhat for the quarter (up 4%) but still finished the year down 7.6% USD.
- Japan reversed course and was up 9.4% USD for the quarter after losing 11.7% in Q3, and finished the year as the top major foreign performer with a gain of 9.9% USD.

Outlook:

- Growth prospects for developed markets remain modest. The European Union's quantitative easing program should continue to stimulate credit growth and the strong Dollar should positively impact Eurozone's GDP.
- Japan faces many structural headwinds including demographics, rigidity in the labor market and high debt levels. An accommodative monetary policy and weak commodity prices should serve as a counterbalance to these forces.
- China's long-running slowdown will most likely continue and remains a threat to the global economy. Policy makers have the challenge of rebalancing the economy from export driven to consumer driven while keeping financial risks under control.
- Emerging Market economies have risen to 39% of global GDP (from 28% in 2007), however the growth differential to that of developed economies will continue to narrow. Excess debt, the slowdown in China, and weak commodity prices will weigh on the EM sector for some time.



Source: J.P. Morgan Asset Management; (Left) Bloomberg, IEA; (Right) BIS, various National Statistics Offices.
*Private credit includes non-financial corporates and households, and bank lending, corporate bonds, and shadow banking. Aggregated from BIS underlying data.
Guide to the Markets – U.S. Data are as of December 31, 2015

Fixed Income Yields & Returns

			Yield		Return
U.S. Treasuries	Correlation to 10-year	Avg. Maturity	12/31/2015	9/30/2015	2015
2-Year	0.61	2 years	1.06%	0.64%	0.41%
5-Year	0.91	5	1.76%	1.37%	1.31%
10-Year	1.00	10	2.27%	2.06%	0.91%
30-Year	0.92	30	3.01%	2.87%	-3.17%
TIPS	0.50	10	0.73%	0.65%	-1.44%
Sector					
Broad Market	0.85	7.8 years	2.59%	2.31%	0.55%
MBS	0.79	6.0	2.77%	2.61%	1.51%
Municipals	0.45	10.0	2.05%	2.14%	3.76%
Corporates	0.45	10.8	3.67%	3.42%	-0.68%
High Yield	-0.24	6.2	8.74%	8.04%	-4.47%
Floating Rate	-0.20	2.0	1.66%	1.52%	-1.00%
Convertibles	-0.30	–	1.01%	0.92%	-1.90%
ABS	-0.02	4.8	2.71%	2.22%	1.09%

Source: Barclays Capital, U.S. Treasury, FactSet, J.P. Morgan Asset Management.

Quarterly Review:

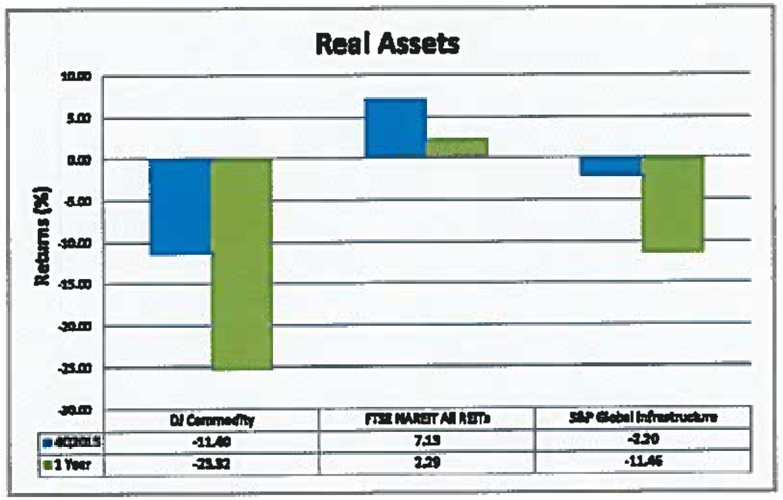
- The Federal Reserve raised rates 0.25% in mid-December and indicated an expectation that rates would rise four times, 0.25% each, which by historical standards, would be a very slow increase.
- The entire Treasury curve shifted up causing 2yr, 5yr, 10yr, and 30yr Treasuries to sell off in Q4.
- The result of the Federal Reserve rate hike and the continued demand for long maturity bonds has caused the shape of the Treasury curve to flatten considerably versus earlier in the year.
- Treasuries (+0.8) and the Barclay's Aggregate Index (+0.5%) finished the year in positive territory.
- High Yield (-4.5%), TIPS (-1.4%), and Corporate Bonds (-0.7%) wound up in negative territory.

Outlook:

- Dovish Fed combined with weak global economic conditions may mean the Fed raises rates fewer times than the implied four times in 2016.
- Investors are torn between deflationary conditions from commodities and inflationary conditions from increasing wage dynamics.
- Continuing Quantitative Easing around the globe (ex-US) with limited desire to invest in Capital Expenditures causes excess funds to be funneled into fixed income which maintains pressure on rates.
- High Yield rates have widened considerably because of weaker equity markets (particularly the energy sector) which may present opportunities for investors willing to do the "default risk" research.

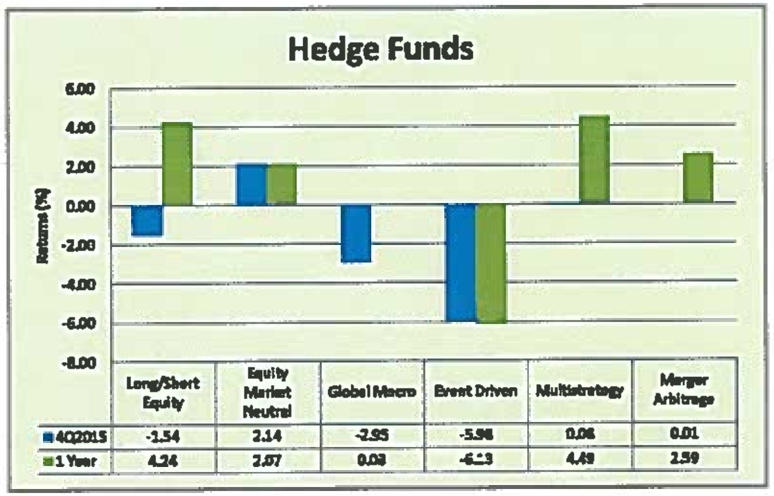
					2005 - 2015	
2011	2012	2013	2014	2015	Cum.	Ann.
TIPS 13.6%	EMD USD 17.4%	High Yield 7.4%	Muni 8.7%	Muni 3.8%	EMD USD 114.0%	EMD USD 7.9%
Muni 12.3%	EMD LCL 16.8%	MBS -1.4%	Corp 7.5%	MBS 1.5%	High Yield 101.3%	High Yield 7.2%
Treas 9.8%	High Yield 15.8%	Corp -1.5%	EMD USD 7.4%	EMD USD 1.2%	Muni 76.6%	Muni 5.5%
Corp 8.1%	Corp 9.8%	Asset Alloc. -1.9%	MBS 6.1%	Treas 0.8%	Corp 70.2%	Corp 5.5%
Asset Alloc. 8.1%	Asset Alloc. 7.4%	Barclays Agg -2.0%	Barclays Agg 6.0%	Barclays Agg 0.5%	Asset Alloc. 88.4%	Asset Alloc. 6.4%
Barclays Agg 7.8%	TIPS 7.0%	Muni -2.2%	Asset Alloc. 5.9%	Asset Alloc. -0.3%	EMD LCL 62.0%	EMD LCL 4.9%
EMD USD 7.3%	Muni 5.7%	Treas -2.7%	Treas 5.1%	Corp -0.7%	MBS 61.4%	MBS 4.9%
MBS 6.2%	Barclays Agg 4.2%	EMD USD -5.3%	TIPS 3.6%	TIPS -1.4%	Barclays Agg 59.3%	Barclays Agg 4.8%
High Yield 5.0%	MBS 2.6%	TIPS -8.6%	High Yield 2.5%	High Yield -4.5%	Treas 54.8%	Treas 4.5%
EMD LCL -1.8%	Treas 2.0%	EMD LCL -9.0%	EMD LCL -5.7%	EMD LCL -14.9%	TIPS 51.2%	TIPS 4.2%

Source: Barclays Capital, FactSet, J.P. Morgan Global Economic Research, J.P. Morgan Asset Management. *Guide to the Markets – U.S. Data are as of December 31, 2015.*



- Global Infrastructure equities declined amid growing concerns about the strength and pace of the global economic recovery. It was the pipelines subsector that had the greatest impact on index performance. Crude oil prices continued to fall, and the fundamental pressures that have weighed on the group all year heightened concerns about the cost and availability of capital.
- Commodities and precious metals came under the most pressure this year led by a slowdown in commodity consumption (notably China) resulting in a glut of oversupply.
- U.S. REITs turned in a better year of performance as the asset class benefited from robust industry demand and a benign rate environment.

- The low interest rate environment globally, and the rally in the U.S. dollar have provided a tough backdrop for hedge funds to make money except for global macro and systematic trading strategies, which should have been able to capture the price move in oil and the U.S. dollar. Hedge funds should be entering into a period more opportunistic for them as the correlation between stocks decrease and the capital markets return to being driven by fundamentals and not the actions of the Federal Reserve. Portfolio managers in hedge fund strategies are able to add value by picking correct sectors, strategies, and individual company names when those things don't all move in tandem.
- **Definition of the Quarter:** The Credit Suisse Multistrategy Index measures the aggregate performance of multistrategy event driven funds. Multistrategy event driven managers typically invest in a combination of event driven equities and credit. Within the equity space, sub-strategies may include risk arbitrage, holding company arbitrage, equity special situations, and value equities with a hard or soft catalyst. Within the credit-oriented portion, sub-strategies may include long/short high yield credit (sub-investment grade corporate bonds), leveraged loans (bank debt, mezzanine, or self-originated loans), capital structure arbitrage (debt vs. debt or debt vs. equity), and distressed debt (workout situations or bankruptcies) including post-reorganization equity. Multistrategy event driven managers typically have the flexibility to pursue event investing across different asset classes and take advantage of shifts in economic cycles.



Asset Class Returns 2015-Q4

The Asset Allocation line graph shows that a diversified portfolio helps to limit volatility and provide consistent returns over time.

																2000 - 2015	
2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Ann.	Vol.
Comdty 31.8%	REITs 13.9%	Comdty 25.9%	EM Equity 56.3%	REITs 31.6%	EM Equity 34.5%	REITs 35.1%	EM Equity 39.8%	Fixed Income 5.2%	EM Equity 79.0%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	REITs 12.9%	High Yield 59.6%
REITs 26.4%	Fixed Income 8.4%	Fixed Income 10.3%	Small Cap 47.3%	EM Equity 26.0%	Comdty 21.4%	EM Equity 32.6%	Comdty 16.2%	Cash 1.8%	High Yield 59.4%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 8.5%	EM Equity 58.1%
Fixed Income 11.6%	Cash 4.1%	High Yield 4.1%	DM Equity 39.2%	DM Equity 20.7%	DM Equity 14.0%	DM Equity 26.9%	DM Equity 11.6%	Asset Alloc. -25.4%	DM Equity 32.5%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Small Cap 7.1%	Small Cap 48.4%
Cash 6.1%	Small Cap 2.5%	REITs 3.8%	REITs 37.1%	Small Cap 18.3%	REITs 12.2%	Small Cap 18.4%	Asset Alloc. 7.1%	High Yield -26.9%	REITs 28.0%	Comdty 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	EM Equity 6.3%	Fixed Income 32.3%
High Yield 1.0%	High Yield 2.3%	Cash 1.7%	High Yield 32.4%	High Yield 13.2%	Asset Alloc. 8.1%	Large Cap 15.8%	Fixed Income 7.0%	Small Cap -33.8%	Small Cap 27.2%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	Fixed Income 5.7%	Asset Alloc. 31.5%
Asset Alloc. 0.0%	EM Equity -2.4%	Asset Alloc. -5.9%	Large Cap 28.7%	Asset Alloc. 12.8%	Large Cap 4.9%	Asset Alloc. 16.3%	Large Cap 5.5%	Comdty -35.6%	Large Cap 26.5%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	Asset Alloc. 5.2%	REITs 30.6%
Small Cap -3.0%	Asset Alloc. -3.9%	EM Equity -6.0%	Asset Alloc. 26.3%	Large Cap 10.9%	Small Cap 4.6%	High Yield 13.7%	Cash 4.8%	Large Cap -37.0%	Asset Alloc. 25.0%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Large Cap 4.3%	Large Cap 27.3%
Large Cap -9.1%	Large Cap -11.9%	DM Equity -15.7%	Comdty 23.9%	Comdty 9.1%	High Yield 3.6%	Cash 4.8%	High Yield 3.2%	REITs -37.7%	Comdty 18.9%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	DM Equity 2.9%	DM Equity 20.4%
DM Equity -14.0%	Comdty -19.5%	Small Cap -20.5%	Fixed Income 4.1%	Fixed Income 4.3%	Cash 3.0%	Fixed Income 4.3%	Small Cap -1.6%	DM Equity -43.1%	Fixed Income 5.9%	Fixed Income 6.5%	Comdty -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	Cash 1.9%	Comdty 18.8%
EM Equity -30.6%	DM Equity -21.2%	Large Cap -22.1%	Cash 1.0%	Cash 1.2%	Fixed Income 2.4%	Comdty 2.1%	REITs -15.7%	EM Equity -53.2%	Cash 0.1%	Cash 0.1%	EM Equity -18.2%	Comdty -1.1%	Comdty -9.5%	Comdty -17.0%	Comdty -24.7%	Comdty 0.9%	Cash 8.1%

Source: Barclays Capital, Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.
Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Barclays Global HY Index, Fixed Income: Barclays Capital Aggregate, REITs: NAREIT Equity REIT Index. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Barclays Capital Aggregate, 5% in the Barclays 1-3m Treasury, 5% in the Barclays Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. All data represents total return for stated period. Past performance is not indicative of future returns. Data are as of 12/31/15. Annualized (Ann.) return and volatility (Vol.) represents period of 12/31/99 – 12/31/15. Please see disclosure page at end for index definitions.
Guide to the Markets – U.S. Data are as of December 31, 2015.

Retirement Plan for Employees of the Town of Brooklyn

Fourth Quarter Performance Report

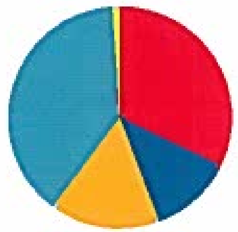
December 31, 2015

Portfolio Overview

Retirement Plan for Employees of the Town of Brooklyn
Retirement Plan

Period Ending: 12/31/2015
Portfolio Inception Date: 12/18/2006

Asset Allocation



Category	Current Percentage	Current Value
Large Cap	32.2%	$1,265,046
Mid/Small Cap	12.1%	$473,877
International	16.0%	$628,970
Intermediate Bond	38.6%	$1,516,763
Short Term Bond/Cash	1.0%	$40,337
Total Portfolio Value	100.0%	$3,924,993

Components of Change

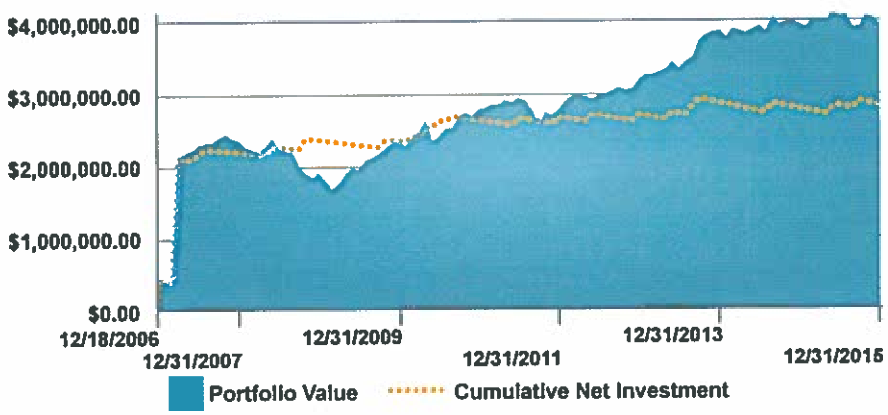
	CQ	Last 1 Year	Last 3 Years	Last 5 Years
BEGINNING VALUE	$3,884,334	$3,924,796	$3,167,921	$2,756,766
Net Contributions	($63,289)	$36,785	$116,305	$188,477
Capital Appreciation	($7,659)	($179,787)	$205,058	$425,180
Income	$115,365	$158,854	$468,233	$603,757
Management Fees	($3,000)	($12,000)	($24,000)	($34,700)
Other Expenses	($758)	($3,655)	($8,524)	($14,486)
ENDING VALUE	$3,924,993	$3,924,993	$3,924,993	$3,924,993
INVESTMENT GAIN	$103,948	($36,588)	$640,767	$979,751

Portfolio Returns

	CQ	Last 1 Year	Last 3 Years	Last 5 Years
Your Portfolio	2.7%	(0.6%)	6.4%	6.3%
S&P 500 Index	6.5%	(0.7%)	12.7%	10.2%
Russell 2000	3.6%	(4.4%)	11.7%	9.2%
MSCI EAFE	4.7%	(0.8%)	5.0%	3.6%
Barclays Cap Global Aggr Bond	(1.0%)	(3.3%)	(2.8%)	(0.1%)

All returns are TWR, gross of fees. Returns for greater than 1 year are annualized.

Portfolio Value Vs Cumulative Net Investment



All returns are TWR, gross of fees. Returns for greater than 1 year are annualized. This data is gathered from what is believed to be reliable sources, but we cannot guarantee its accuracy. Please use your brokerage statements as an accurate reflection of your portfolio.

Town of Brooklyn Pension Plan
Quarter - End 4Q2015

Name	Weight %	Morningstar Category	Morningstar Rating	As of 12/31/2015 Tot Ret % - 3 Mo	Tot Ret Rank - 3 Mo	Tot Ret % - 1 Yr	Tot Ret Rank - 1 Yr	Tot Ret % - 3 Yr	Tot Ret Rank - 3 Yr	Tot Ret % - 5 Yr	Tot Ret Rank - 5 Yr	Expense Ratio
Oakmark I	6	Large Blend	★★★★	4.64	78	-3.95	84	13.71	50	12.61	11	0.85
Vanguard Large Cap Index Adm	10	Large Blend	★★★★	6.75	28	1.07	26	14.98	20	12.38	16	0.09
Large Blend Weighted Avg	**16**	**Large Blend Avg**	**4.0**	**5.96**	**47**	**-0.81**	**48**	**14.51**	**31**	**12.47**	**14**	**0.38**
S&P 500 TR USD		Large Blend		7.04		1.38		15.13		12.57		
Russell 1000 TR USD		Large Blend		6.50		0.92		15.01		12.44		
US OE Large Blend		Large Blend		5.56		-1.07		13.22		10.75		1.08
T. Rowe Price Growth Stock Adv	8	Large Growth	★★★★	8.54	16	10.58	5	18.57	9	14.34	8	0.92
Russell 1000 Growth TR USD		Large Growth		7.32		5.67		16.83		13.53		
US OE Large Growth		Large Growth		6.73		3.60		15.27		11.70		1.19
Schwab Fdmll US Lg Co Idx	8	Large Value	★★★★	5.52	31	-2.96	37	13.51	17	11.16	22	0.35
Russell 1000 Value TR USD		Large Value		5.64		-3.83		13.08		11.27		
US OE Large Value		Large Value		4.73		-4.05		11.63		9.75		0.45
Vanguard Mid Cap Index Inv	2	Mid Blend	★★★★	3.45	30	-1.46	18	14.76	10	11.37	17	0.23
MSCI US Mid Cap 450 PR USD		Mid Blend		3.65		-2.06		13.72		10.18		
US OE Mid-Cap Blend		Mid Blend		2.37		-4.75		11.44		9.08		1.20
Columbia Mid Cap Growth Z	2	Mid Growth	★★★	5.30	10	5.27	7	13.99	34	9.47	53	0.94
Russell Mid Cap Growth TR USD		Mid Growth		4.12		-0.20		14.88		11.54		
US OE Mid-Cap Growth		Mid Growth		3.31		-0.95		12.82		9.59		1.29
JHancock Disciplined Value Mid Cap I	2	Mid Value	★★★★★	4.95	9	2.06	2	17.27	1	13.98	1	0.86
Russell Mid Cap Value TR USD		Mid Value		3.12		-4.78		13.40		11.25		
US OE Mid-Cap Value		Mid Value		2.68		-5.41		11.50		9.06		1.23
Schwab Small Cap Index	3	Small Blend	★★★	3.58	29	-4.41	46	11.65	41	9.55	33	0.17
Russell US Small Cap Equity I	3	Small Blend	★★★	2.98	50	-6.29	70	12.01	33	9.03	44	0.92
Small Cap Blend Weighted Avg	**6**	**Small Blend Avg**	**3.0**	**3.28**	**40**	**-5.35**	**58**	**11.83**	**37**	**9.29**	**39**	**0.55**
Russell 2000 TR USD		Small Blend		3.59		-4.41		11.65		9.19		
US OE Small Blend		Small Blend		2.68		-5.38		10.34		8.22		1.25

Town of Brooklyn Pension Plan
Quarter - End 4Q2015

Name	Weight %	Morningstar Category	Morningstar Rating	Tot Ret % - 3 Mo	Tot Ret Rank - 3 Mo	Tot Ret % - 1 Yr	Tot Ret Rank - 1 Yr	Tot Ret % - 3 Yr	Tot Ret Rank - 3 Yr	Tot Ret % - 5 Yr	Tot Ret Rank - 5 Yr	Expense Ratio
				As of 12/31/2015								
American Funds Europacific Growth R3	6	Foreign Large Blend	★★★	2.79	91	-1.12	77	4.77	51	3.33	55	1.13
Schwab International Index	6	Foreign Large Blend	★★★	3.64	45	-0.88	45	4.36	36	3.60	27	0.19
Foreign Blend Weighted Avg	**12**	**Foreign Blend Avg**	**3.0**	**3.22**	**68**	**-1.00**	**61**	**4.56**	**44**	**3.46**	**41**	**0.86**
MSCI EAFE NR USD		Foreign Large Blend		4.71		-0.81		5.01		3.60		
US OE Foreign Large Blend		Foreign Large Blend		3.58		-1.59		3.67		2.60		1.19
Vanguard Emerging Mkts Stock Idx Inv	4	Emerging Markets	★★★	-0.36	64	-15.47	62	-6.98	55	-4.96	57	NA
MSCI EM NR USD		Emerging Markets		0.66		-14.92		-8.76		-4.81		
US OE Diversified Emerging Mkts		Emerging Markets		0.69		-13.79		-5.69		-4.45		1.54
Metropolitan West Total Return Bond I	11	Intermediate-Term Bond	★★★★★	-0.40	26	0.29	33	2.22	9	4.69	4	0.44
Barclays US Agg Interm TR USD		Intermediate-Term Bond		-0.51		1.21		1.41		2.74		
US OE Intermediate-Term Bond		Intermediate-Term Bond		-0.60		-0.26		1.16		3.22		0.85
BlackRock High Yield Bond Inv A LW	2	High Yield Bond	★★★★	-1.93	55	-4.32	57	2.41	20	5.23	14	0.92
PIMCO High Yield D	2	High Yield Bond	★★★★	-0.58	16	-2.20	28	2.00	32	4.66	34	0.90
High Yield Blend Weighted Avg	**4**	**High Yield Blend Avg**	**4.0**	**-1.25**	**36**	**-3.26**	**43**	**2.21**	**26**	**4.94**	**24**	**0.91**
Barclays US Corporate High Yield TR USD		High Yield Bond		-2.07		-4.47		1.69		5.04		
US OE High Yield Bond		High Yield Bond		-1.95		-4.01		1.28		4.11		1.10
JHancock Income A Load Waived	4	Multisector Bond	★★★★	0.10	24	0.44	22	2.04	22	3.80	38	0.81
Pioneer Strategic Income Y	4	Multisector Bond	★★★★	-0.50	49	-1.15	40	1.83	29	4.04	32	0.73
PIMCO Income P	4	Multisector Bond	★★★★★	0.51	12	2.53	3	4.76	1	8.33	2	0.55
Multisector Blend Weighted Avg	**12**	**Multisector Blend Avg**	**4.3**	**0.03**	**28**	**0.61**	**22**	**2.88**	**17**	**5.38**	**24**	**0.70**
US OE Multisector Bond		Multisector Bond		-0.56		-2.18		1.14		3.76		
BlackRock Strategic Income Opps Instl	4	Nontraditional Bond	★★★★	-0.10	48	-0.30	32	2.27	7	3.14	12	0.60
Western Asset Total Return Uncons I	4	Nontraditional Bond	★★★★	0.28	30	0.25	25	1.34	23	2.69	25	0.91
Nontraditional Blend Weighted Avg	**8**	**Nontraditional Blend Avg**	**4.0**	**0.09**	**39**	**-0.02**	**29**	**1.81**	**15**	**2.91**	**19**	**0.76**
Barclays US Agg Interm TR USD		Intermediate-Term Bond		-0.51		1.21		1.41		2.74		
US OE Nontraditional Bond		Nontraditional Bond		-0.35		-1.41		0.33		1.86		1.36
Loomis Sayles Global Bond Retail	4	World Bond	★★★	-1.15	70	-5.30	69	-2.76	66	0.52	59	1.00
Citi WGBI NonUSD USD		World Bond		-1.38		-5.54		-4.27		-1.30		
US OE World Bond		World Bond		-0.49		-4.00		-1.52		1.30		1.04
Schwab Retirement Advantage Money	1	Money Market		0.00		0.01		0.01		0.01		0.21
Asset Summary		**Asset Summary**	★★★★	**2.81**		**-0.59**		**7.48**		**7.26**		**0.60**
Benchmark				**2.40**		**-1.98**		**6.00**		**5.72**		