

PENSION COMMITTEE
REGULAR MEETING
THURSDAY, JULY 28, 2011
TOWN HALL 9:00 A.M.

CALL TO ORDER: The meeting was called to order at 9:00 AM.

MEMBERS PRESENT: Bill Kirkpatrick, chair; George Warner and Ham Wilson, members; Lisa Pellegrini, First Selectman; Kim Marcotte, Somers CFO; and Tom Forma, Merrill Lynch.

APPROVAL OF MINUTES OF REGULAR MEETING OF 4/28/11 AND SPECIAL MEETINGS OF 6/9/11 AND 6/30/11: The minutes of the three meetings were approved with minor corrections.

UPDATE ON CHANGE PROCESS FOR THE TOWN PLAN:

All changes have been approved and the updated Town Pension Plan will take effect on 9/1/11. There were two well-attended employee meetings and many good questions. The actuary was in attendance with a handout comparing old and new plan provisions. Somers' annual contribution is projected to increase by about \$14,000 to \$206,974. Employee contributions will become 3% on 9/1/11, increase to 4% on 7/1/13 and to 5% of pay on 7/1/15. More work will be done on the need for a trust to administer the plan.

INVESTMENT REVIEW AND DECISIONS FOR THE TOWN FUND:

For the fiscal year ended 6/30/11 overall performance was +21.35%, net of fees--a very attractive number. We discussed the economy and political situation as they relate to our asset allocation and bond holdings. Given the changes in the plan, the need for liquid assets is much smaller. A motion was made, seconded, and unanimously passed to invest \$10,000 now and at the end of August and September into the London Mid-Large Cap Fund, where we have 7.8% of plan assets. Tom Forma agreed to supply the committee with information on convertible bond and convertible preferred fund options.

INVESTMENT REVIEW AND DECISIONS FOR THE VOLUNTEER FIRE FUND:

This plan's performance was comparable to the Town Fund. For additional diversification we reviewed the Vanguard Global ex-US Real Estate Index Fund (VGXRX). After discussion, a motion was made, seconded, and unanimously passed to invest \$3,000 in this investment option.

At our next meeting on October 29, 2011, we will begin a review of this pension plan to determine if changes should be made to bring it in line with the new Town Plan changes.

ADJOURNMENT: There being no other business, the meeting was adjourned at 10:05 AM.

Respectfully submitted,

Hamline C. Wilson
Clerk

