

PENSION COMMITTEE REGULAR MEETING
JANUARY 29, 2015 TOWN HALL 9:00 A.M.

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

ATTENDEES: Bill Kirkpatrick, chair; George Warner and Ham Wilson, members; Mike Marinaccio, Somers CFO; Tom Forma and Kevin Nichols, Morgan Stanley.

APPROVAL OF MINUTES OF SPECIAL MEETINGS OF 11/13/14 AND 1/8/15 AND REGULAR MEETING OF 10/13/14.

All minutes were approved as written.

CREATION OF TOWN ACOCUNTS FOR BENEFIT PAYMENTS

Two accounts have been opened at the Webster Bank: one for the Town Pension Fund, one for the Volunteer Firefighters Pension Fund. Town pension contributions will be deposited in the Town account, and benefits for retirees will be paid from this account. If additional money is needed to pay benefits, it can be transferred from Pension Fund assets. If money accumulates in the Town account, it can be transferred to Morgan Stanley for investment. The Volunteer Firefighters account will be used to pay retiree benefits. The account will be funded from assets in the Firefighters Pension Fund.

INVESTMENT REVIEW AND DECISIONS FOR THE TOWN FUND

Asset Allocation and performance were reviewed. The Goldman Sachs large cap value fund is no longer offered to the Town Fund. Therefore, after review of alternative investments, it was moved, seconded, and unanimously passed to split those assets evenly between Clearbridge Dividend Strategy Fund and the Bahl and Gaynor Income Growth Equity Fund.

Due to outstanding performance and volatility in the REIT markets, it was moved, seconded, and passed unanimously to move \$200,000 (about one-half) of our AEW investment as follows: one-sixth each to Bahl and Gaynor and Clearbridge, and one third each to Epoch Global Fund and London Dividend Focus Fund.

In a third motion, it was moved, seconded, and passed unanimously to move \$50,000 of available cash to the new Town Account for benefit payments and the balance, about \$168,000 to a CD maturing as close to 2/17/15 as possible. Those funds will be combined with an existing CD with a maturity date of 2/17/15 and invested in a new three-month CD.

As no additional investment actions were taken with the Town Pension Fund, the Morgan Stanley team left the meeting at this point.

INVESTMENT REVIEW AND DECISIONS FOR THE FIREFIGHTERØS FUND

Overall, this fund continues to perform well and is now over 100% funded. The upcoming contribution of \$11,517 will be banked, as it is needed for benefit payments.

UPDATE ON RFP PROCESS

Initially ten RFP proposal requests were solicited; two have been returned, two prospects declined to bid. Due to the weather, the submission deadline has been extended to February 2. Copies of the final proposals will be sent to the Investment Committee members for review.

ADJOURNMENT: There being no other business, the meeting was adjourned at 10:48 AM.

Respectfully submitted,

Hamline C. Wilson, Clerk