

PENSION COMMITTEE
REGULAR MEETING
OCTOBER 27, 2012
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 Pellegini, First Selectman; Kim Marcotte, Somers CFO; and Tom Forma, Merrill Lynch.

APPROVAL OF MINUTES OF REGULAR MEETING OF 7-26-12: The minutes were approved as amended.

INVESTMENT REVIEW AND DECISIONS:

Overall performance continues to be good with the preferred stocks supplying stability and providing and enhancing income.

Tom explained that due to policy changes at Merrill Lynch, it would not be able to manage our cash account after December 31, 2012. Bill will contact Vanguard to see if it can handle the cash and preferreds, provide satisfactory communication to Merrill, and be able to trade on advice from Merrill. We hope to complete this move by December 1st.

The Town Fund has about \$180,000 available for investment now, with another \$230,000 due this fiscal year. To improve our performance, it was moved, seconded, and unanimously passed to:

- 1) Invest \$30,000 per quarter into the AEW real estate fund on or about the 10th of November, February, May, and August.
- 2) Transfer our four preferred stock holdings and the three bond issues to Spectrum Asset Management.
- 3) Add \$40,000 of available cash to the new Spectrum account.
- 4) Stop for the time being the \$10,000 per month investment into the Vanguard Emerging Markets Fund (VWO).

CASH FLOW PLANNING AS RETIREMENTS BEGIN:

This information, provided by Kim Marcotte, was reviewed and considered in the making the above decisions.

INVESTMENT REVIEW AND DECISIONS FOR THE VOLUNTEER FIRE FUND

With the exception of the precious metals investment, this Fund is performing nicely and in line with the town fund. There is little cash to invest and projections show that cash inflows will approximate outflows. No actions are called for at this time.

SCHEDULE OF MEETINGS FOR 2013:

Meetings are scheduled for 9:00 AM at the Town Hall in the Selectmens' Meeting Room on January 31, April 25, July 25, and October 31, 2013.

ADJOURNMENT:

Respectfully submitted,

Hamline C. Wilson
Clerk