

**Pension Board
Minutes
February 28, 2012**

CALL TO ORDER

Chairman Michael Charland called the Pension Board meeting to order at 7:30 p.m. at the Town Hall, Trumbull, Connecticut.

Members present and absent were as follows:

PRESENT

Chairman Michael Charland
Michael Knight
Donna Pellitteri
Maria Pires
William Schietinger
John Ponzio

ABSENT

James Lavin

Also Present:

Chris Kachmar, FIA; Edward Walsh, Esq.; Daniel Nelson, Chief of Staff

PUBLIC COMMENT

There was no public comment.

DISCUSSION – OVERPAYMENTS (Edward Walsh, Esq.)

- The First Selectman approved sending out the soft letters to the overpayment individuals and he gives them the option of making installment payments if they cannot make full payment. 7 soft letters will go out – Certified Mail.
- Attorney Walsh indicated the individuals couldn't appeal the audit that we performed; if they refuse to pay, we can bring suit. He did not feel that the individuals would make payments and that we will have to bring suit.
- Attorney Walsh advised Ms. Pires to keep installments to 6 months; however, higher amounts would need somewhere between 4 months and 5 years.
- Wilmington will not give us anything; the actuary (H&H) probably has no responsibility.
- We do not need a resolution to do this.
- The letter states payment is due on or before June 30, 2012 or contact Ms. Pires to set up installment payments.
- Attorney Walsh recommends sending a second letter – 30 day window – before turning over to small claims court, if at least \$5,000 etc.

INVESTMENT UPDATE (Chris Kachmar, FIA)

Mr. Kachmar presented his quarterly update.

- Calendar year 2011 was a non-descript year – struggled as a group – worse since 1990.
- 2012 – has been great – up 2M.
- Q3 - European debt crisis and downgrading by S&P.
- Labor markets – improvement equating to better consumer confidence.
- Economy is starting to stabilize.
- Long gov. bond 22.49% – return – dramatic increase
- International – not a good year
- Domestic Equity – growth oriented market; worst Q3 were best performers in Q4.

- International Equity – value led the way domestically; larger cap did better than small cap.
- Fixed Income – market where you were rewarded for taking a chance.
- Difficult year for active managers; elevated correlations; running at 70%.
- Best defense against correlations in one sector is diversification, which we currently have.
- Portfolio was up +6.8% in line with benchmark. PIMCO accounts for almost the entire shortfall for the year.
- Diamond Hill is up 8%.
- There were no allocation recommendations.
- No expectations that bonds will generate returns over equities.
- Role of Bonds – function as stabilizers against more volatile venues.
- Still need fixed income in the portfolio.
- 30% is a good weight.
- FIA is continuing to look at other investments:
 - International/Global fixed income.
 - International small cap / dedicated small cap.
 - Global allocations – traditional securities (i.e. Black Rock).
 - Footprint similar to what you have now – can be a nice diversification.
 - Look at some global investments at a later point.
- PIMCO year to date (2012) is up 2.6%

ELECTION OF OFFICERS

Mr. Ponzio, seconded by Ms. Pires, moved to nominate Mr. Charland for Chairman of the Pension Board. Vote: 6/0/0

APPROVAL OF MINUTES - NOVEMBER 15, 2012

The Chair asked for a motion to approve the minutes of the November 15, 2011.

It was noted that the following be amended:

Page 2, paragraph 5: change “were allocate” to “we reallocate”.

Page 3, heading “403B” change to “401A”.

Mr. Ponzio moved, seconded by Mr. Schietinger, to approve the November 15, 2011 minutes as amended. Vote: 6/0/0

UPDATE ON TERMINATED EMPLOYEE PENSION CONTRIBUTIONS – 5 YEAR REVIEW

Ms. Pires reported on the audit indicating that contributions are earning 5% interest per annum. She went on to add that we had requested a list of employees that left the town employ in the last 5 years. This totaled 160, and of these, we have reviewed 66 for outstanding contributions. The review found 8 with outstanding contributions for a total of \$62,843.92 with interest, as of the date shown in the last column.

Ms. Pires indicated that the audit would be completed by the May meeting. In addition to the audit, she presented that Board with excerpts from the TOT Retirement Plan, Article IX, which indicated the return of participant’s contributions be made as soon as practicable once the employee terminates.

WELLS FARGO – 4TH QUARTER ANNUITANT REVIEW

Ms. Pires spoke about the 4th quarter social security audit indicating that we had no deceased annuitants on the report.

APPROVAL OF PENSION BENEFITS AND WITHDRAWAL OF FUNDS

The following individuals were presented for approval for monthly benefit payments and lump sum payout:

Battistelli, Mary-Jo	eff. 9/30/2011	\$1,770.66
Klein, Judith	eff. 12/31/2011	\$1,281.78
Kohler, Lawrence C.	eff. 2/29/2012	\$3,037.56
Ondy, Gail	eff. 6/30/2011	\$1,530.03

Withdrawal of Funds:

Savarese, Stephen	eff. 1/25/2012	\$10,656.24
-------------------	----------------	-------------

Ms. Pellitteri moved, seconded by Ms. Pires to approve the Pension Benefits and Withdrawal of Funds as presented. Vote: 6/0/0.

ANY OTHER BUSINESS

Approval - Amendment 3 to the Pension Plan

Ms. Pires indicated that we are holding off on the approval of Amendment 3 to the Pension Plan and would probably address it prior to the May meeting. The 401A Plan is for those employees excluded from the Town Pension Plan, i.e., appointed or elected officials. The Plan document will need to be changed indicating that elected and appointed officials will not be eligible.

Mr. Ponzio suggested that the Plan document also be changed with regards to the 5% interest paid on contributions. Mr. Nelson noted that anything in the Plan that is fixed, including the 5% interest paid on contributions, needs to be renegotiated with the unions.

The Chair indicated that any changes made to the Plan could affect the model used by Hooker & Holcombe going forward.

ADJOURNMENT

There being no further business to discuss, the Pension Board adjourned by unanimous consent at 9:30 p.m.

Respectfully submitted,

Phyllis Collier
Pension Board Clerk