

PENSION BOARD MEETING

July 21, 2009

Present: Michael Charland, Chairman; Robert Wright, Ross Murray, Dan LaBelle, Mark Manton, Lynn Heim

Also Present: Chris Kachman, FIA; Ron Schlee, Hooker & Holcomb

Meeting was called to order at 7:40 p.m. by Chairman Mike Charland.

Chris Kachmar reported that Wilmington Trust had not released the latest numbers, therefore he will make a formal quarterly presentation at the next scheduled meeting (October 20, 2009). He did report a \$1.5 million increase in the plan since March 31<sup>st</sup> which represents an approximate gain of 11%. The fund increased from \$13,357,954 to \$14,902,776. The fund allocation remains at a 65/35, equities to fixed income ratio. Mr. Kachmar suggested the town use the GIC as the liquidity vehicle to fund Wachovia.

Ron Schlee presented reports of the project assets with various scenarios of increased funding. His graph showed that a \$1 million increase in the town's contribution plan will not get the fund to the 50% level. An additional \$2 million must be funded by the town in order to get the fund to a 70% level in 2030.

Mr. Schlee and Lynn Heim will work with Atty. Galiette regarding recommended changes to the plan which will be brought before the Board for approval.

A motion to approve the minutes of May 12, 2009 was made by Mark Manton, seconded by Bob Wright and approved 5, 0,1 (Lynn Heim).

A motion to approve agenda item 5 a-d, pension benefits, was made by Dan LaBelle, seconded by Mark Manton and approved unanimously.

A motion to approve agenda item 6 a-b, withdrawal of funds, was made by Dan LaBelle, seconded by Ross Murray and approved unanimously.

Discussion ensued regarding making a recommendation to the First Selectman, Board of Finance and Town Council at the next budget cycle regarding the level of pension funding.

A motion to recommend a \$2,000,000 increase in the planned funding level was made by Dan LaBelle and seconded by Bob Wright. Motion approved unanimously.

A discussion ensued regarding amendments to the plan that would improve the viability of the fund, such as increasing the required hours for participation and increasing the number of years of wages in the calculation of the benefit. The Pension Board does not think these types of changes are within its authority. The Board will administer the plan as given to them by the administration. Any changes to the plan must be negotiated with the unions and approved by the Town Council. Lynn Heim and Ron Schlee will work on various amendments.

Gail Bokine and Lynn Heim are working on verifying the pension benefits paid by Wilmington in preparation for the transfer of funds. It was requested by consensus that the Finance Director hire someone to assist in the audit of employee eligibility, participation and benefit payments prior to a transfer from Wilmington Trust.

The next scheduled pension meeting is October 20, 2009.

Dan LaBelle moved to adjourn; seconded by Bob Wright.

Meeting adjourned at 8:36 pm.

Respectfully submitted,

Lynn L. Heim, Director of Finance