

TOWN COUNCIL
Town of Trumbull
CONNECTICUT
www.trumbull-ct.gov

TOWN HALL
Trumbull

TELEPHONE
(203) 452-5000



AGENDA No. 742

- I CALL TO ORDER
- II MOMENT OF SILENCE
- III PLEDGE OF ALLEGIANCE
- V ROLL CALL
- VI PUBLIC COMMENT
- VII APPROVAL OF MINUTES
- VIII NEW BUSINESS

DATE: July 6, 2015
TIME: 8:00 p.m.
PLACE: Town Hall

NOTICE is hereby given that the Town Council of the Town of Trumbull, Connecticut will hold a regular meeting on Monday, July 6, 2015 at 8:00 p.m. at the Trumbull Town Hall, for the following purpose:

DISCUSSION: Annual Pension Report

1. RESOLUTION TC25-180: To consider and act upon a resolution which would amend Chapter 18, Taxation, Article III-Senior Citizen and Disabled Persons Tax Relief, Regulations Section 18-42 entitled Eligibility and amend Section _____ Senior and Disabled Persons Volunteer Tax Relief of the Trumbull Municipal Code. (L&A Public Hearing)
2. RESOLUTION TC25-181: To consider and act upon a resolution which would empower First Selectman Timothy M. Herbst to execute and deliver in the name and on behalf of this municipality with the Connecticut State Library for a Historic Preservation Grant. (L&A)
3. RESOLUTION TC25-183: To consider and act upon a resolution which would approve the recommendation of the appointment by the First Selectman of Larry Fullerton of 44 Old Saw Mill Road as an alternate member of the Ethics Commission by a 2/3 vote of the Town Council for a term extending to December 7, 2015 (Stapleton) (L&A)
4. RESOLUTION TC25-185: to consider and act upon a resolution which would disband the Emergency Management Shelter Building Committee for a job well done. (L&A)

5. RESOLUTION TC25-186: To consider and act upon a resolution which would authorize the First Selectman to accept on behalf of the Town of Trumbull, a Department of Social Services grant in the amount of \$150,000 to undertake renovation and improvements to the kitchen facilities at the Trumbull Senior Center. (L&A)

VIII ADJOURNMENT

COPY OF THE RESOLUTION ATTACHED HERETO

Carl A. Massaro, Jr., Chairman Trumbull Town Council

RESOLUTION

1. RESOLUTION TC25-180: BE IT RESOLVED AND ORDAINED, Chapter 18, Taxation, Article III-Senior Citizen and Disabled Persons Tax Relief, Regulations Section 18-42 entitled Eligibility and Section _____ Senior and Disabled Persons Volunteer Tax Relief of the Trumbull Municipal Code is hereby amended.
2. RESOLUTION TC25-181: BE IT RESOLVED, That First Selectman Timothy M. Herbst is hereby empowered to execute and deliver in the name and on behalf of this municipality with the Connecticut State Library for a Historic Preservation Grant.
3. RESOLUTION TC25-183: BE IT RESOLVED, BE IT RESOLVED, That the recommendation of the appointment by the First Selectman of Larry Fullerton of 44 Old Saw Mill Road as an alternate member of the Ethics Commission, be and the same is hereby approved by a 2/3 vote of the Town Council for a term extending to December 7, 2015.
4. RESOLUTION TC25-185: BE IT RESOLVED, That the Emergency Management Shelter Building Committee is hereby disbanded for a job well done.
5. RESOLUTION TC25-186: BE IT RESOLVED, That the First Selectman is hereby authorized to accept on behalf of the Town of Trumbull, a Department of Social Services grant in the amount of \$150,000 to undertake renovation and improvements to the kitchen facilities at the Trumbull Senior Center, and
BE IT FURTHER RESOLVED, that First Selectman is hereby authorized to enter into and execute any and all agreements, contracts and documents necessary to obtain and administer the aforementioned Department of Social Services Grant.

**PENSION
BOARD**



Town Hall
5866 Main Street
Trumbull, Connecticut 06611

Date: May 20, 2015
To: Timothy M. Herbst, First Selectman
Subject: Pension Board Update

Below is a brief update on the performance, activities and initiatives for calendar year ending 2014.

Executive Summary:

(All numbers calendar year based)

- We continue to make financial and administrative progress.
- Net cash flows for calendar year 2014 were positive, because of large make-up contributions, as they were in 2012 and 2013.
- The fund returned 4.5% for 2014. This compares with the U.S. public pensions reported median returns of 6.8 percent according to Wilshire Associates.
- The funded ratio is 35% for 2014 as compared to 32% for 2013; as of March 31, 2015, the funded ratio is 38.5%.
- Administrative changes now provide for a monthly "flash report" of how investments are performing as well as an annual governance calendar to guide quarterly meeting agendas.
- Development of an Investment Policy Statement continues.

Pension Investments:

Investment returns for 2014 were 4.5%, which was lower than the actuarial return assumption of 7.5%; however, the annualized 3 and 5 year results for this same period were 11.3% and 9.3% respectively, higher than the 7.5% return assumption.

The low annual return can be attributed to the fluctuations in the market. Although the S&P 500 Index gained 13.7% in 2014, smaller names in the U.S. were up less than 5% and international equities posed negative returns (~-4.0%) during the year.

Although the attributes associated with diversified portfolios over the longer term tend to be favorable with a more stable investment return, this did not occur in 2014. However, this trend appears to be changing in 2015, and the benefits of having a globally diversified portfolio such as ours are once again emerging.

Calendar Year	2014	2013	2012	2011	2010
Investment Performance	4.5%	17.2%	12.5%	(0.9%)	14.0%
Plans Assets (millions)	\$27.5	\$24.9	\$20.5	\$17.8	\$18.3
Town Contributions	\$ 4.8	\$ 4.1	\$ 3.3	\$ 2.6	\$ 2.1
a. Current	\$.9	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.2
b. Make-up	\$ 3.9	\$ 3.0	\$ 2.2	\$ 1.4	\$ 0.9
Employee Contributions	\$.9	\$.9	\$.9	\$.8	\$.8
Less: Payments	\$ 4.3	\$ 4.2	\$ 3.9	\$ 3.7	\$ 3.6
Net Cash Flow (thousands)	\$1,379	\$779	\$264	(\$292)	(\$781)

Investment manager changes made by the Pension Board are shown below:

- Thornburg International Value was sold and replaced by Dodge & Cox Int'l Stock during the second quarter of 2014.
- Pimco Total Return was replaced by two fixed income firms namely Western Asset Core Plus Bond (50%) and Met West Total Return (50%) during the fourth quarter of 2014.

Actuarial Report:

The plan actuary Bryan, Pendleton, Swats, & McAllister, LLC (BPS&M) performed the biennial valuation. A special meeting was held on December 9, 2014, to review results. Key highlights follow:

- The Annual Recommended Contribution on a fiscal year basis (July 1, 2014 – June 30, 2015) is \$4,144,000, comprised of two parts: normal contribution \$885,000 and make-up contribution \$3,259,000.
- Return assumption of 7.5% remains the same and is considered reasonable. If returns miss that target, plan costs will increase.
- The Government Accounting Standards Board has overhauled their reporting requirements for municipal pension plans effective June 30, 2014.
- Mortality Tables used reflect longevity increases for participants thereby increasing plan costs.
- Active participants are declining due to the plan being closed to new hires.
- Salary Increase assumption was changed from 4% to 3.5%. This would decrease plan costs.

See the chart below for valuation results:

	July 1, 2014	July 1, 2012	July 1, 2010	July 1, 2008
Participants				
Active	376	436	453	433
Deferred Vested	68	74	69	79
Receiving Benefits	340	325	320	288
Total	784	835	842	800
Total Liabilities	\$71,162,375	\$67,905,000	\$62,863,043	\$57,704,539
Actuarial Value of Assets	\$24,997,527	\$19,096,003	\$16,807,159	\$19,572,031
Funded Status (unfunded)	(\$46,164,848)	(\$48,808,997)	(\$46,055,884)	(\$38,132,508)
Funded Ratio	35.1%	28.1%	26.7%	33.9%

Operations:

The quarterly schedule of meetings was advanced one month to match quarterly reports in a more timely way. Moreover, the Investment Advisor, Fiduciary Investment Advisors provides a monthly "Flash Report" to provide more timely information on investment performance.

The new governance schedule is below:

1 st Qtr: Fee Focus	2 nd Qtr: Practice & Policy Focus
<ul style="list-style-type: none"> Investment Review Administrative fee review Portfolio expense analysis 	<ul style="list-style-type: none"> Investment Review Investment policy statement review Legislative update
3 rd Qtr: Asset/Liability Focus	4 th Qtr: Pension Landscape
<ul style="list-style-type: none"> Investment review Annual actuarial review* Asset Allocation review 	<ul style="list-style-type: none"> Investment review Pension landscape update Market environment overview

*Timing of actuarial and liability review dependent on client's individual plan and/or fiscal year and actuarial input.

Long Term Improvement Plan:

The following has already taken place this year:

- The Inflation Protection segment was liquidated during the first quarter of 2015. This segment represented a target allocation of 5% and consisted of three funds, Vanguard Short Term Inflation Protected Securities, Credit Suisse Commodity Return and Van Eck Global Hard Assets. Liquidation proceeds were allocated to existing funds and asset class targets were adjusted as follows: Fixed Income allocation from 30.0% to 32.5%; the Domestic Equity allocation from 45.0% to 46.25%, and the International Equity allocation from 20.0% to 21.25%.

The following recommendations are in progress:

- Development of an Investment Policy Statement.
- Discuss procedure and schedule for reviewing 401a and 457b Plan investments.
- Consider annual actuarial valuation reports versus biennial valuation reports.

One personnel change was the addition of Mr. James Meisner to fill the vacancy occurring when Mr. Michael Charland resigned.

The Town of Trumbull's commitment to fund its Pension Plan at the annual required contribution including the make-up contribution will continue the financial improvements we have seen in recent years. The Pension Board understands the need for the administration to weigh all town financial concerns and it appreciates the ongoing support for the Retirement Plan. We welcome the opportunity to meet with you and accept ideas and recommendations for improvement.

Respectfully submitted,

The Pension Board

James Lavin
Chairman

John Ponzio

Maria Pires

Donna Pellitteri

James Daly
Secretary

Michael Knight

James Meisner

TOWN CLERK'S OFFICE
Town of Trumbull
Connecticut

SUZANNE BURR MONACO
TOWN CLERK
(203) 452-5037



Town Hall
5866 Main Street
Trumbull, Connecticut 06611

The State of Connecticut Historical Grant Program Started in July 2000. For each document Recorded (except Mers Documents), \$3.00 is collected. Of the \$3.00 the Town Clerks Office retains \$1.00 and the remaining \$2.00 is sent to the State Library. The \$2.00 is what Funds the Historical Grant Program. Each Town in the state is entitled to apply for the annual grant - the amount is based on the population. This year the Town of Trumbull can apply for a Four Thousand Dollar Grant – this amount is down from Seven Thousand Five Hundred Dollars last Year. At one time we were receiving grants in the amount of 12,000.00 a year.

With the Grant this year Our Office would like to complete the scanning of Volumes 228-388 (45,519) at 18 cents per page. The Cost would be \$8193.42 (4000.00 Grant and 4193.42 from the Town Clerks Historical Account).

After completing the scanning of Land Records our next projects would include scanning the Vital Statistics as well as the Minutes. However even if they are scanned and available on the computer that does not mean the hard copy can be destroyed (by State Statutes)