

FINANCE DEPARTMENT

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TOWN HALL

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Minutes  
Wilton Retirement Trust  
Wilton Employees Retirement Plan Investment Committee  
Other Post-Employment Benefits Trustees  
May 2, 2012  
7:30 PM

Meeting Room "B"

**Present:**

**Retirement Trust:** Harold E. Clark, James F. Meinhold, Richard J. Dubow, Adrian Gilmore Bray, Sandra L. Dennies, Ted Hoffstatter, James A. Saxe, Jr.

Absent: William Brennan (Chair)

**Investment Committee:** Paul H. Burnham, Robert H. Kelso (Chair), Jeffrey G. Rutishauser, Robert E. Shultz, Warren Serenbetz, Richard E. Wehrmann

**OPEB:** Adrian Gilmore Bray, Harold E. Clark, Sandra L. Dennies, Kenneth Post, Warren Serenbetz (Chair) Others: Chris Rowlin, Fiduciary Investment Advisors; Kevin O'Brien, Fiduciary Investment Advisors; Rich McArdle, Sarah Taffel, Ron Schlee, Hooker and Holcombe

7:30pm – In the Absence of Mr. Brennan, the meeting was called to order by Mr. Kelso.

**Meeting Minutes of January 18, 2012 Regular Meeting (Retirement Trust, Investment Committee and OPEB)** – Approved unanimously by the Trust, Investment Committee and OPEB.

**Meeting Minutes of March 14, 2012 Special Meeting (Retirement Trust, Investment Committee and OPEB)** – Approved unanimously by the Trust, Investment Committee and OPEB

**Adoption of Resolution Creating Investment Committee – Retirement Trust**

Mr. Dubow moved to adopt the Resolution Creating the Investment Committee by the Retirement Trustees, the motion was seconded and carried unanimously.

**Portfolio Review – Pension – Fiduciary Investment Advisors**

Chris Rowlin of Fiduciary Investment Advisors reviewed the Portfolio starting with a timeline beginning in November of 2011. He went through Section I of the economic review in the Quarterly Investment Review (on file). He touched on the improvement of the GDP and discussed consumer confidence being strong

while there is still high unemployment and the housing market remains mixed. He said that overall it had been a strong first quarter.

This was followed by Mr. O'Brien of Fiduciary Investment Advisors going through the pension portfolio as shown in the *Quarterly Investment Review* and explaining what had taken place in the last quarter, with any changes in allocations, earnings and losses. He said that it had been a transitional time for the portfolio as things were liquidated from some of the positions and moved to another.

A discussion ensued regarding the projected return on the pension portfolio under the current allocations.

### **Portfolio Review – OPEB – Fiduciary Investment Advisors**

Mr. O'Brien said that given the asset side for OPEB of 2.6 million they decided to leave it in the Vanguard products (index and low cost) rather than going to the full open architecture of the pension plan, which would mean running into some cost issues with certain share classes. He pointed out some of the changes that were made.

### **Fee Schedule**

Mr. Rowlinson reviewed the fee schedule and added that the fee schedule is documented every quarter for the Committee. He was asked if Fiduciary could send out the hard copies of the presentation in advance of the meeting, and answered that they would, so that the members could pick them up and review them in advance.

A question was asked if Fiduciary would report whether or not they were achieving favorable results compared to other pension plans. They replied that they would, but that they would be compared to pension plans that were similar in size and demographics. Fiduciary was also asked how much cash they recommend having available for benefit payments and they answered six months. Adding, that since the portfolio was very liquid, if they needed to raise cash, they could do so without a problem.

Mr. Kelso thanked Fiduciary for their presentation and they departed.

### **Investment Policy Statements**

A number of members felt uncomfortable with the language in the Investment Policy Statements and so recommended that Ken Bernard review them and make sure that the language was clear and less confusing. They agreed to look at them again at the next meeting.

### **Ron Schlee, Hooker and Holcombe**

Mr. Kelso introduced Ron Schlee from Hooker and Holcombe. He said that Mr. Schlee had been asked to review the actuarial assumptions of the pension plan to see how they stack up with the actual experience over the past 5 years.

Mr. Schlee reviewed the assumptions against the actual experience, referring to a handout (on file). He said that by going over the last 5 years it showed they produced actuarial gains in the valuations of \$6.6 million, so liabilities went up \$6.6 million less than the assumptions would have expected. He added that the sample size of the Wilton population is small, (i.e. there are 43 active police – 28 fire and 299 Town and Board participants). He said that a small change in decisions like turnover in retirement could make the experience look very different. He added that the last 5 years may not have reflected the future accurately because of the economic downturn and that they try and anticipate the future.

He went on to review the new Police, Fire, Town and Board of Ed (non-certified) assumptions. He was asked if these set of assumptions are conservative and he replied that they were but not as conservative as the old assumptions were which is why there is a decrease in the liability.

A discussion ensued. He reviewed the recommended changes to the pension plan and a discussion ensued around whether or not to take action at the meeting and vote on the changes being presented.

It was decided to wait until the next meeting in August to take any action since Mr. Brennan wasn't present..

The meeting adjourned.