

FINANCE DEPARTMENT
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TOWN HALL
238 Danbury Road
Wilton, Connecticut 06897

Pension Trustee Meeting
July 14, 2010
7:30 PM
Meeting Room B

Present:

Trust Members: Bill Brennan, Hal Clark, Richard Creeth, Jim Meinhold, Richard Dubow,

Guests: Bob Kelso, Warren Serenbetz, Carol Misus (Vanguard), Paul Connors (Vanguard), Sandy Dennies, Sarah Taffel, Rich McArdle, Bob Kelso

The meeting was called to order at 7:35 PM.

Review of the Portfolio Actions of the Investment Committee

Mr. Kelso said that as of June 30, 2010 the total investment in the Pension Plan was \$54 million. The Investment Committee decided on a couple of policy changes based on Vanguard's recommendations.

1. Taking money out of shorter duration funds and moving them into the intermediate grade funds because inflation is not an immediate threat and so a better return will be realized with intermediate funds.
2. Investing 2% of the total fund allocation into REITS.

The Investment Committee had also talked about, but decided not to act on, Vanguard's recommendation to reduce exposure to Emerging Markets. He explained the feeling was that there are growth opportunities outside the US so they want to leave the overweighting in the Emerging Markets.

Mr. Brennan asked if there were any questions or comments. Mr. Connors said that they had provided the Investment Committee with a disclosure of Vanguard's fee structure. He also indicated that there was no issue with regard to the issuance of the pension checks.

Mr. Brennan indicated that he would like to see further actuarial modeling as recent articles had identified aggressive earnings assumptions being used in plans which may not be appropriate in today's market. Those aggressive assumptions have lowered contributions as opposed to increasing them with more realistic lesser earnings. (The current assumption is 7.8 % with 4.5% salary increase.)

Ms. Dennies said that she would ask the actuary, Ron Schlee of Hooker and Holcombe, to provide the following models:

1. 7.7% return with a 4.5% salary increase
2. 7.7% return with a 4.0% salary increase
3. 7.7% return with a 3.5% salary increase

He would not be asked to provide a calculation based upon actual employees.

Mr. Brennan indicated that if the Trust could get the actuarial calculation done, we would distribute it and get everyone's input. The actuaries need appropriate time to complete their valuation in time for use in the budget.

The Trust members agreed to review the information presented.

The meeting adjourned at 8:30 PM