



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  
August 6, 2014

7:30 PM  
Meeting Room "B"

### Present:

**Investment Committee:** Robert H. Kelso (Chair) Jeffrey G. Rutishauser, Paul Burnham, Richard E. Wehrmann, **Absent:** Robert Schultz **Retirement Trust:** William Brennan, Harold E. Clark, Sandra L. Dennies, John Kalamarides **Absent:** Richard J. Dubow, Ted Hoffstatter. James Saxe, Jr. **OPEB:** Warren Serenbetz, Christopher Stroup, Hal Clark, Ken Post, Sandy Dennies  
**Others:** Christopher Rowlin; FIA, Kevin O'Brien; FIA, Rich McArdle, Sarah Taffel

### Call to Order

Mr. Brennan called the Meeting to order at 7:30 PM.

### Ron Schlee of Hooker and Holcombe

The valuation was done as of July 2014. The mortality tables are changing; there are longer life expectancies which will mean contributions need to increase. The tables will be available the end of October and they will have to look at this next spring. The investment rate of return for Wilton is 7.25% and that rate has been used for the past few years. The State of CT is using 7.49% and Massachusetts is using 7.97%. Mr. Schlee feels comfortable with 7.25%.

Salary scales for Wilton are 4% per year after 7 years of service for PD and Fire. For Town employees it's 3.5% per year after 8 years of service. The cost of living adjustment they assumed is 2.5%. They aren't making any changes for this year's valuation.

Mr. Schlee then reviewed the latest requirements from GASBE 67 with those present.

## **Capital Markets Overview – Fiduciary Investment Advisors**

Mr. Rowlins gave his report. The second quarter results were strong with a 14% return thru 6/30/14. Attributed to the Central Bank

- REITS up 17% year-to-date
- Small Caps were more volatile in 2<sup>nd</sup> Quarter with concern over valuations.
- What's driving results is low quality "beta type of rally"
- Solid results for US Markets which were well valued
- Geopolitical risks in 2<sup>nd</sup> Quarter ignored
- Improved economics
- Outsized returns in the International Markets with support from the European Central Banks
- Emerging Markets outpaced Developed Markets helped by China, India and Turkey
- As a result Managers in that class; Templeton and Aberdeen picked up the pace this year
- Rates have trended lower which has moved the bond prices higher.
- Bond market is rich
- Cornerstone delivered attractive results
- Commodities moved higher in some areas; energy, precious metals.
- Portfolio ending market value for the Quarter was \$97,002,342

## **Asset Allocation and Investment Performance**

Mr. O'Brien reviewed the Asset allocation and said that there were no major imbalances in the portfolio. He went over the Pension Performance Summary Plan found on page 13 of the handout (on file).

The Pension Plan is up 3.4% for the Qtr. and 3.9% YTD. Since inception it is up 10.7%.

There was a rally in fixed income and he discussed the Managers Performance Overview on pages 16-18. While Easton Vance showed only modest gains, the team feels that their conservative approach is appropriate to avoid financial risks. Pimco Total Return is still on watch but it was up 2.4% for the Qtr. and may come off watch the next Qtr. (See the handout for the items covered).

## **OPEB**

The market value as of June 30, 2014 for the OPEB portfolio was \$4,400,692. Mr. Rowlins said that they don't have recommendations for changes at this time. Ms. Dennies said that there hasn't been a contribution to the OPEB trust in a while. A discussion ensued as to how much to contribute. Mr. Serenbetz made a motion to keep a total target cash balance at 5% of the fund assets and fully invest the ARC. The motion was seconded and carried unanimously.

There being no further business, the meeting adjourned at 8:47 PM.