

FINANCE DEPARTMENT

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TOWN HALL

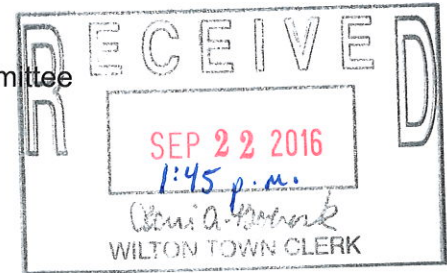
238 Danbury Road

Wilton, Connecticut 06897

Draft Minutes

Wilton Retirement Trust
Wilton Employees Retirement Plan Investment Committee
Other Post-Employment Benefits Trustees

Special Meeting – September 15, 2016
Meeting Room B - 7:30 PM



Present:

Investment Committee: Paul Burnham, Jeffrey G. Rutishauser, Robert Schultz, Richard E. Wehrmann,
Absent: Robert H. Kelso (Chair)

Retirement Trust: Lori Bufano, Richard J. Dubow, John Kalamarides, Chris Stroup, Lynne Vanderslice
(Chair), Anne Kelly-Lenz (ex-officio, non-voting); Absent: David Clune, Michael Kaelin

OPEB: Lori Bufano, Warren Serenbetz (Chair), Chris Stroup, Richard Huot (ex-officio, non-voting),
Anne Kelly-Lenz (ex-officio, non-voting)

Others: Kevin O'Brien (FIA), Steve Lemanski (H & H), Richard McArdle, Sarah L. Taffel

Call to Order

The joint meeting was called together at 7:30 p.m. by: Lynne Vanderslice for the Retirement Trust, Paul Burnham for the Investment Committee and Warren Serenbetz for OPEB.

Capital Markets Overview – Fiduciary Investment Advisors

Kevin O'Brien presented the overview on behalf of Chris Rowlinson who was unable to attend. The Defined Benefit Fiduciary Governance Calendar for the 2nd Quarter has a focus on practices and policies and an Investment policy statement review. He stated that the Town's Investment Statement continues to meet all the criteria to help the group meet its fiduciary obligations, and there are no recommendations for change.

Second Quarter Market Review highlights were reviewed. Mr. O'Brien also mentioned:

- The big news for the quarter was the Brexit vote which resulted in a week of tremendous volatility, affecting interest rates, although things have settled down somewhat since.
- The U.S. appears on the cusp of raising short-term interest rates, but not likely before the elections.
- Domestic equity was positive, with the S & P up 2.5%.
- Long-term bonds have done well.
- Telecom and Utilities have done very well.

August Update

Kevin then gave a brief summary of the August Flash Report (on file).

- All managers are on maintain.
- The allocation is in line, so there is no rebalancing needed.
- Numbers continued to improve.
- There were positive returns in Fixed Income.
- Long-Term Bonds are doing very well.
- Domestic Equity is positive for the year.

Discussion of Asset Liability Matching (ALM) Study

Steve Lemanski of Hooker & Holcombe discussed what output could be in such a study, looking at contribution levels of 10-20-30 years out. The Town's plan has different challenges down the road compared to a Plan that is still open to participants. How unfunded liability will be funded would need to be considered, as there will be very few actives 20 years from now vs. retirees.

Mr. Lemanski pointed out that the two funds need to be looked at differently as OPEB has a different population, duration, cash flow and liability footprint. Steve also asked all present to consider what valuation they would want to use as the starting point; 2015 or 2016 numbers.

Chris Stroup asked if Steve had an Engagement Letter the group could review, and said he would like to see evaluation of different asset allocation strategies included. Per Steve, H & H will work with FIA to come up with different potential asset allocations and scenarios. At the next quarterly meeting H& H will bring a proposed engagement letter, as well as an updated mortality table so as to better look at asset allocation.

OPEB Plan Second Quarter Results - FIA

Mr. O'Brien reviewed the OPEB results, saying that results were similar to that of Pension with a similar line-up of managers and investments with the exception of International Equity being with Vanguard. All managers are on maintain.

OPEB is doing a little better than Pension because of having more index funds. Also, the average weighted fee for OPEB is 0.28% vs. Pension at 0.55%.

Other Business

None of the committees had other business to conduct but it was noted that the next quarterly meeting is scheduled to be held on November 2nd. The meeting then adjourned at 8:19 p.m.

Respectfully submitted,

Kris Fager
(from audio recording)