

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 1, 2012
7:30 PM
Meeting Room "B"

Present:

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

Retirement Trust: William Brennan (Chair), Harold E. Clark, Adrian Gilmore Bray, Sandra L. Dennies,
Ted Hoffstatter, James A. Saxe, Jr. Absent: James F. Meinhold, Richard J. Dubow

OPEB: Adrian Gilmore Bray, Harold E. Clark, Warren Serenbetz (Chair) Absent: Sandra L. Dennies,
Kenneth Post

Others: Chris Rowlins, Fiduciary Investment Advisors; Kevin O'Brien, Fiduciary Investment Advisors;
Rich McArdle, Sarah Taffel

7:30pm –the meeting was called to order by Mr. Kelso.

Meeting Minutes of May 2, 2012 Regular Meeting (Retirement Trust, Investment Committee and OPEB) – Approved unanimously by the Trust, Investment Committee and OPEB.

Economic Review – Fiduciary Investment Advisors

Chris Rowlins of Fiduciary Investment Advisors reviewed the Economic Capital Market for the Second Quarter. He went over the handout with the Members of the Committees. He said that it had been a difficult 2nd Quarter and listed some of the reasons; the U.S. economy, the high unemployment rate, the recession in the "Euro Zone". He added that this was the first negative Quarter in a long time. He explained the economic climate and said that both fixed income and commodities were down, adding that in terms of the international markets "there is no place to hide". With respect to Fixed Income, he said that the low returns are due to the low interest rates and that there is no way to get double digit returns. A discussion ensued.

Portfolio Review – Pension and OPEB – Fiduciary Investment Advisors

Mr. O'Brien reviewed the portfolio report with the Committees referring to the handout. He said that it was a transitional quarter since the portfolio was invested in the new line-up for May and June. The custodian was changed to Wells Fargo. He explained to the Members how the report is structured and reviewed the funds with them. He was asked if they speak with the [fund] managers on a quarterly basis and both Mr. O'Brien and Mr. Rowllins said that Fiduciary did.

Mr. O'Brien moved on to discuss the OPEB Portfolio. He said that given the 2.5 million in asset size they maintained the Vanguard funds low cost exposure to the asset classes similar to the Pension Portfolio. He said that if you look at the asset allocation, the only "outlier is the cash position". He said that it was down 1% for the Quarter vs the benchmark of 1.4%.

A brief discussion ensued.

Mr. Rowllins said that Fiduciary would be providing a monthly pdf "snap shot" of the Pension and OPEB plans that would be emailed to the Members.

Document Review – Investment Policy Statement – Pension Plan

A brief discussion ensued, followed by a motion made by Mr. Burnham to recommend to the Retirement Plan Board of Trustees that they adopt the Investment Policy Statement for the Retirement Plan as written, with the sole proviso that on page 4, the first sentence following the heading, "Investment Consultant" shall read, "The Retirement Plan Board of Trustees may engage the services of an Investment Consultant." The motion was seconded and carried.

Document Review – Investment Policy Statement – OPEB

Mr. Serenbetz made a motion to adopt the Investment Policy Statement for OPEB as it was written. The motion was seconded and carried.

Document Review – Investment Policy Statement - Retirement Trust

Mr. Brennan made a motion to adopt the Investment Policy Statement for the Retirement Plan as written, with the sole proviso that on page 4, the first sentence following the heading, "Investment Consultant" shall read, "The Retirement Plan Board of Trustees may engage the services of an Investment Consultant." The motion was seconded and carried.

Consideration of Pension Plan Assumption Review by Hooker & Holcombe

Mr. Kelso reviewed the handout provided by Hooker & Holcombe on the Pension Plan Assumption.

A brief discussion ensued. Mr. Brennan made a motion to approve all of the recommendations presented by Hooker & Holcombe, including changes in the retirement age, turnover, pay increases and mortality assumptions, as well as lowering the investment return assumption to 7.25% and shortening the amortization period. The motion was seconded and carried with Mr. Saxe voting "no".

Proposed Town 401a Qualified Plan Oversight by Investment Committee

A discussion ensued around the 401a Qualified Plan and the management of it under ICMA. Ms. Taffel gave a background on the selection of ICMA when the Town went to a defined contribution plan. A discussion ensued as to whether this was an investment committee function and whether to use Fiduciary to evaluate it. Mr. Brennan said that he thought they should keep this as an open item until he has time to speak to Sandy Dennies and see what their options are and how they can address the issue.

As there was no further business, the Meeting adjourned.