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TOWN HALL  
238 Danbury Road  
Wilton, Connecticut 06897

INVESTMENT COMMITTEE, OPEB COMMITTEE  
AND RETIREMENT TRUST  
SPECIAL MEETING

NOVEMBER 29, 2011

**Retirement Trust:** Bill Brennan, Richard Dubow, Richard Creeth, Hal Clark

**Investment Committee:** Robert Kelso, Bob Schultz, Richard Wehrmann, Warren Serenbetz

**OPEB Committee:** Warren Serenbetz, Gil Bray, Hal Clark, Ken Post, Sandy Dennies

**Absent:** Jeffrey Rutishauser, Ted Hoffstatter, Paul Burnham, Susan Bruschi, Jim Meinhold

**Others:** Richard McArdle, Sarah Taffel, Mark Wetzel (FIA), Chris Rowllins (FIA), Kevin O'Brien (FIA)

The Meeting was called to order at 7:30 PM.

**July 1, 2011 Pension Valuation – Ron Schlee – Hooker and Holcombe**

Ron Schlee from Hooker and Holcombe gave a presentation on the Actuarial Valuations for 2011 as of July 1<sup>st</sup>.

He distributed a handout to the members of his presentation (attached herewith) which details the various facets of the Pension Valuation. He reviewed contributions for 2012-2013 with and without the funding policy multiplier applying different assumptions.

Several members asked about retirement ages and at what age people were typically retiring. A brief discussion ensued on this topic.

Mr. Brennan said that Mr. Meinhold, who couldn't be present for the meeting, had done some research on public fund surveys on all the municipal plans in the State. He handed out copies to everyone, adding that the median for the 126 plans is 8%. (This is the projected investment return of the 126 plans.)

His question to Mr. Schlee was if Wilton is already at 7.7%, should they be tweaking it to make it lower? Mr. Schlee replied that he is comfortable at 7.7%. He added that he wouldn't recommend going up. A discussion ensued on lowering the investment return to 7.6% and the members present agreed that they felt more comfortable with that number.

Mr. Brennan made a Motion to adjust the assumed percentage investment return to 7.6%. The Motion was seconded and carried unanimously.

Further discussions ensued on the salary increase percentage and the cost of living adjustment to the pension. No actions were taken.

The members thanked Mr. Schlee for his presentation and he left.

### **Consideration of Fiduciary Investment Advisors as Pension Advisor**

Mr. Kelso and other members of the Investment Committee came up to the table to join the discussion with the representatives from Fiduciary Investment Advisors. Mr. Kelso said that the Investment Committee and OPEB were there to recommend the engagement of Fiduciary Investment Advisors as investment advisors to the Town. He introduced Mark Wetzel, President of Fiduciary Investment Advisors who introduced his colleagues. Mr. Kelso went on to explain that the Investment Committee wanted to broaden the investment capabilities for the Pension portfolio and they felt that using advisors such as Fiduciary would enable them to do so. He said that they had asked a number of Towns in the area and the name that came up the most in recommending investment advisors was Fiduciary.

Mr. Brennan asked what the other towns, using Fiduciary, had to say about their services and the attention they received once the change had been made. Ms Dennies said that they had sent out a request for information through the GFOA and the CFOs in Fairfield County and had received a very positive feedback regarding Fiduciary.

Mr. Brennan asked if the investment portfolios for the other towns would be similar or would they vary substantially. Mr. Wetzel replied that they wouldn't vary substantially because they are all trying to achieve generally the same assumed rate of return, somewhere between 7.5% and 8% return. He added that not all the towns fund their pensions the same way, so you have different approaches. He said that they have open architecture and charge a flat fee so they don't get commissions or revenues from anyone and can use any asset class.

Mr. Brennan asked if their fee structure changed from one town to the other and Mr. Wetzel replied that generally they don't but it depends on size and complexity of the plan. Mr. Kelso added that the fee that they had proposed was \$45,000.

Ms. Dennies asked Mr. Wetzel what the process would be for reviewing and working with the Town. He said that the charge would be to become a strategic advisor and partner with the Town for the long term. He added that since they are going to a 7.6% assumed rate of return Fiduciary has to look at the asset allocation and other investments to see how this can be achieved with a reasonable amount of risk and what additional asset classes they should be thinking about.

Mr. Brennan asked how long it will take them to do an analysis before they start making changes to the allocations. Mr. Wetzel replied that it would take about 6 weeks for them to get up to speed on the plan.

Mr. Brennan made a Motion to approve using Fiduciary Investment Advisors as the investment advisors for the Town. The motion was seconded and carried unanimously.

Mr. Brennan adjourned the Retirement Trust meeting.

**Mr. Serenbetz called to order the OPEB Committee Meeting**

He said that they needed to review and approve the actions of the Investment Committee to use the 7.6% as the assumed percentage investment return for OPEB.

Mr. Serenbetz made a Motion to adjust the assumed percentage investment return to 7.6%. The Motion was seconded and carried unanimously.

Mr. Serenbetz made a Motion to use Fiduciary Investment Advisors as the investment advisors for the Town. The motion was seconded and carried unanimously.

Mr. Serenbetz made a Motion to use the Investment Committee to determine where to invest the funds for the retirement pension and that the OPEB funds would mirror those investments. The Motion was seconded and carried.

As there was no further business the meeting adjourned.