

FINANCE DEPARTMENT  
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TOWN HALL  
238 Danbury Road  
Wilton, Connecticut 06897

Investment Committee Meeting  
October 20, 2010  
Meeting Room B

Present: Robert Kelso, Paul Burnham, Robert Schultz, Warren Serenbetz , Richard Wehrmann, Chris Frankenhoff

Others: Carol Misus (Vanguard), Sandy Dennies, Rich McArdle, Gil Bray, Sarah Taffel

**Call to Order**

Chairman Kelso called the meeting to order at 6 PM

**Approval of April Minutes**

A Motion was made seconded and carried unanimously to approve the July 14, 2010 minutes.

**Review of Account Performance**

Vanguard Outlook Ms. Misus gave a brief overview of the economic outlook saying that they are seeing deterioration in the market place with a double dip recession at 33% prompted by the labor market.

She said that they feel the equity market is strong with median returns at 8-9%. In the area of Fixed Income they don't agree with the "Bond Bubble" theory because so many individuals are moving out of money markets into bonds and equities.

A discussion about the portfolio ensued with Ms. Misus saying that the portfolio had rebounded. The Committee discussed putting more money into Vanguard REITS from the Total Stock Market Index Fund.

Mr. Kelso made a MOTION to increase the REITS to 3% of the Pension portfolio by moving money out of the Total Stock Market Index Fund into the Vanguard REIT Index Fund for the Pension Trust. The MOTION was seconded and carried unanimously.

Mr. Kelso made a MOTION to increase the REITS to 3% of the OPEB portfolio by moving money out of the Total Stock Market Index Fund into the Vanguard REIT Index Fund. The MOTION was seconded and carried unanimously.

## **Investment Policy for Town's Undesignated Fund Balance**

A discussion followed about making investments of the Town's undesignated fund balance. Ms. Dennies said that she wanted the Committee to see what other towns are doing in terms of investments since the interest rates are so low that the funds aren't generating much interest. She passed out materials for them to review.

A discussion ensued and Ms. Dennies suggested that they have someone from Janney come and speak to them regarding options.

Mr. Serrenbetz suggested the development of an investment policy as a first step Wehrmann agreed. Mr. Burnham said that he didn't feel the Investment Committee was set up to do this. Mr. Kelso suggested calling a Special Meeting with Janney in November to get further insight from them.

Mr. Serrenbetz said that this topic would be brought up before the Board of Finance at their next meeting to get approval for the Investment Committee to provide advice on this.

Mr. Kelso said that there was going to be a vacancy because Mr. Frankenhoff was resigning he thanked Chris Frankenhoff for his service and contributions to the Investment Committee and asked for suggested names of people to replace him. It was pointed out that the person would have to be a Republican. Jeff Rutishauser was suggested as a possible candidate.

Mr. Kelso adjourned the meeting.