

*~ Draft ~* **MINUTES**

**Guilford Pension Committee**

**Special Meeting # 286 – January 19, 2011**

Guilford Town Hall, 31 Park Street

Selectmen's Conference Room, 8:00 AM

**Note:** *These are strictly Draft Minutes and are not final until approved at a subsequent Pension Committee meeting.*

Members Present: Robert Hartmann (*chair*), Alex Sommers, George Curry (8:13 AM), David O'Connor and Wayne Staschke. (5 of 5)

Town Official(s): Joseph Mazza (*First Selectman*), Sheila Villano (*Finance Director*), Present Mitch Goldblatt (*Human Resources Director*).

Others Present: Tom Bivona (*Consultant, Wells Fargo Advisors*), Sharon Milroy (*Board of Education Insurance Dept.*), Off. Fred Hill (*Guilford Police Union, President*), Marie Legagneur (*HR Intern*), Sue Gomez (*Recording Secretary*).

(8:05 AM – 9:00 AM) - [0:55]

Chairman Hartmann called the meeting to order at 8:05 AM.

1. Public Forum.

Officer Fred Hill, Guilford Police Union President, went over a letter he addressed to Mitch Goldblatt (Human Resources Director) concerning some transition medical coverage problems encountered by a recent Police retiree. Officer Hill did speak to Mr. Goldblatt in person the evening before this meeting. The letter was copied to the Pension Committee as well as the First Selectman.

Mr. Goldblatt explained that an error had occurred and had been rectified. Officer Hill suggested that an exit checklist might be helpful in the future to help prevent this type of situation. The First Selectman said he would speak to Officer Hill later.

2. Approve minutes of:

2.1 December 16, 2010 Regular Meeting

**Upon a motion made by Mr. Sommers and seconded by Mr. O'Connor it was unanimously voted to approve the minutes of 12.16.10 as submitted.**

Later in the meeting it was decided to make the following corrections to the December minutes.

**Side note:** Mr. Mazza asked that 2 corrections be made to the December 16, 2010 minutes: 1) 11 year track record for Glovista is not accurate – Carlos Figueroa has the 11-year record but Glovista was founded in 2007 and 2) 3.2 says 10 years ago, it should be corrected to say 2 years.

3. Approve Requests from Board of Education Employees, as follows:

3.1 ADDITION:

Juliette S. Horton, ParaEducator, A. W. Cox Elementary School

Date of Full-Time Hire: 11-29-10 Salary: \$12,918.00

NOT VESTED

3.2 REQUEST TO MILLIMAN FOR PENSION BENEFIT CALCULATIONS:

Pamela B. Price, ParaEducator, Guilford High School

Date of Full-Time Hire: 9-23-87 Date of Retirement: 1-31-11 Salary: \$22,014.66 VESTED

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**Upon a motion made by Mr. Sommers and seconded by Mr. Staschke it was unanimously voted to approve items 3.1 and 3.2. as submitted. [5-0-0]**

4. Finance Director's Report:

4.1 Monthly Investment Report from the Finance Director (Dec)

Mrs. Villano reported that we were up 12.2% at the end of December. The Finance Committee was thrilled and really appreciated the new report. The Valuation Reports will be handed out under new Business.

Tom Bivona stated that we would have the Quarterly Report in another month.

[George Curry joins the meeting – 8:13 am]

4.2 Update: Agreement letter for new Actuarial Assumptions Report from Milliman.

Ken Friedman of Milliman will come to the March meeting with the Actuarial Report. There is no formal letter to have Milliman prepare this report. The Committee agreed to have the report done and it was not necessary to have a formal agreement letter.

5. Possible selection of Emerging Markets Manager to be added to portfolio (Tom Bivona present)

Tom Bivona reported on additional information that the Committee asked for from Glovista's presentation in December. He received the year-end performance report from Dennis Tracy in Glovista's business department. The returns are very impressive. The plan is to allocate 5% to Emerging Markets.

This Committee asked for a breakdown by client type, breakdown by strategy, and how much of the growth was new client money coming in. Mr. Bivona read from the report: \$200 Million under management; 151 clients under management; 43 clients solely in Emerging Markets (New Haven, Waterbury, Cromwell, Texas Fire Dept., Midland Fire Dept.); they will be under Credit Suisse soon; they opened a San Francisco office (Enrique Figueroa).

Much of the growth has come from new client assets; 43 clients in pension area. The last paper from Well Fargo indicates Glovista was down last Quarter but the 1 year, 3-yr., 5-yr., and 10-yr. were excellent. Their portfolio is small, they use a lot of indexes but they move it around. Mainly EFT's (Exchange Traded Funds); not many stocks. Mr. Sommers asked Mr. Bivona to compare Glovista to Brandes: Brandes is much larger; why would we want to go with a small operation like Glovista? Mr. Bivona said that it is easier to buy and sell when you are small without moving the market; a little more nimble. Mr. Curry stated that their staff was 5-7 employees. He asked if the returns were extrapolated? Mr. Curry felt somewhat cautious; they haven't operated the fund for 10 years yet. They began in 2007; these results are the track record of Mr. Figueroa (one of the founding principals). It is a pretty small firm: 32 accounts, 170M under management. Now, they have 43 + 14 (in Pension & Profit Sharing) accounts and \$200M.

Mrs. Villano was concerned about the part at the bottom that said "based on Parenteau Associates." She asked about the relationship with Wells Fargo Advisors. Mr. Bivona explained that Parenteau is a sales force used to get the word out for Glovista since they do not have an advertising department.

Mr. Hartmann and Mr. Staschke mentioned that we may be stopping lump sum distributions this year. Many people will take the option and this could draw down the portfolio by \$4 - 5 Million. This will happen in June. They asked that this be considered when deciding how much to allocate to Glovista.

**Side note:** Mr. Mazza asked that 2 corrections be made to the December 16, 2010 minutes: 11 year track record for Glovista is not accurate – Carlos Figueroa has the 11-year record but Glovista was founded in 2007 and 3.2 says 10 years ago, it should be corrected to say 2 years.

Mr. Bivona noted that Brandes has been in Emerging Markets for 10 years and their numbers are real.

Mr. Sommers asked Mr. Bivona if we could ask Glovista to come back and also have Brandes come and give a presentation. Mr. Bivona considered that in February we would go over the Quarterly Report and that Milliman was coming in March so he suggested that this would be good for the April meeting.

Mr. Curry stated that the China and India markets were struggling and that we always have to go back to our management strategy. We will ask Glovista and Brandes to come to the April meeting. Glovista will also have their 1st Quarter results by then.

[Tom Bivona leaves the meeting – 8:37 AM]

6. Old Business:

6.1 Acceptance of new Trustee Agreement

Mrs. Villano explained that we waited for Chairman Hartmann to be present to make the recommendation of the new Trustee Agreement to the Board of Selectmen. One change has been made: negligence has been changed to “gross” negligence. This is better protection for the trustees: First Selectman, Finance Director and Chair of the Pension Committee. *Mrs. Villano received the “informal recommendation” of the Pension Committee to bring the new Trustee Agreement to the February BOS meeting.* We are set to begin March 1, 2011; the check vender is IPI.

Mr. Hartmann asked that this new agreement means that this would prevent a broker from being chairman of the Pension Committee. The Committee had no problem with this. They were all in agreement.

7. New Business:

7.1 Report from Human Resources: July 1, 2010 Valuation by Milliman

Mr. Goldblatt reported that valuations from Milliman came through 2 months earlier than last year and have been distributed on the Town side and will be soon to the BOE.

Mrs. Villano distributed the valuation report for all three plans. One and two are in the Town booklet and the BOE is formatted a little differently.

After discussion, the committee came up with several issues that they would like Ken Friedman to bring and/or be prepared to answer at the March meeting:

1. How is the Lump Sum calculated? What is the Discount Value? Identify the discount rate. Could Mr. Friedman bring an example in writing?
2. Would like a ‘quick & dirty’ method of calculating the lump sum so we can estimate for employees and ourselves.
3. Issue of putting “Not Determined” on 1099R. Another client town of Milliman’s puts it on their 1099.

Mrs. Villano will update the ‘history of valuation’ so we can have the numbers when Mr. Friedman comes in March. Valuation was started about 8 – 9 years ago.

The date for the February meeting is To Be Determined. The committee would like to have both meeting the same day if possible. The secretary will notify the committees when a date is set.

Adjourn

There being no further business and upon a motion made by Mr. Sommers and seconded by Mr. O'Connor it was then unanimously voted to adjourn the meeting at approximately 9:00 AM – [0:55].

Respectfully submitted,

Susan Gomez  
Jan. 26, 2010

**THE NEXT REGULAR MEETING IS SCHEDULED FOR:**

WILL BE ANNOUNCED

with the [Defined Benefits Plan Committee Meeting](#) *Immediately following.*

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*~ Draft ~* MINUTES

**Guilford Pension Committee – Defined Benefits Plan Sub-Committee**  
**Regular Meeting # 6 – January 19, 2010**  
Guilford Town Hall, 31 Park Street  
Selectmen’s Conference Room, following Pension Committee Meeting

**Note:** These are strictly Draft Minutes and are not final until approved at a subsequent Pension Committee meeting.

Members Present: George Curry (chair), Mitch Goldblatt, David O’Connor, Wayne Staschke, and Sheila Villano.  
Excused: Andy Potochney  
Town Official(s): Joseph Mazza (*First Selectman*)  
Others Present: Robert Hartmann (*Pension Committee Chairman*), Marie Legagneur (*HR Intern*) and Sue Gomez (*Recording Secretary*).  
(9:03 AM – 9:47 AM) - [0:44]

Chairman George Curry called the meeting of the Defined Benefits Plan Sub-Committee to order at 9:03 AM.

Mr. Curry distributed a WSJ article to the group.

1. Public Forum  
None.

2. Approve minutes of:  
2.1 Dec. 16, 2010 Regular Meeting

**Upon a motion made by Mr. Goldblatt and seconded by Mr. Staschke it was unanimously voted to approve the minutes of 12.16.10 as presented.**

3. New Business  
3.1 Approval of Special Meeting date for February (if necessary)

The date for the February meeting is To Be Determined. The committee would like to have both meeting the same day if possible. The secretary will notify the committees when a date is set.

3.2 ICMA and Mutual of America

Mr. Curry had a lengthy conversation with ICMA and they would like to come and present a program to show what they are doing in the State of CT with other towns. We should gain a good perspective from this.

ICMA and Mutual of America could provide us with a ‘bundled approach’. They will document services, participant services and support to the Town: one entity for all parts of the plan. The Town by default is Plan Administrator but these will all be separate plans. These companies have built their services to be compliant. Much oversight is provided through the vendor.

We should be able to listen to both presentations in one meeting, allotting a half hour to each. Mr. Curry will confirm in a few days and the secretary will notify the committees.

Back in December, Pam Millman provided Mr. Curry with a sample RFP from the Town of Darien. We do not have to use the RFQ/RFP process but this example had some good questions to consider.

Both ICMA and Mutual charge \$1000/per plan document and it covers everyone.

**(Executive Session)**

4. Town Pension Plan

**Upon a motion by Mr. Goldblatt and seconded by Mr. Staschke it was unanimously voted to go into Executive Session. First Selectman Mazza, Pension Committee Chair Robert Hartmann and HR Intern Marie Legagneur were invited to remain. The Executive Session began at approximately 9:13 AM.**

**The Executive Session ended (@ 9:46 AM) and upon a motion by Mr. Goldblatt and seconded by Mr. Staschke it was unanimously voted to adjourn the meeting at approximately 9:47 AM.**

Respectfully submitted,

Susan Gomez  
Jan. 26, 2010

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