

~ Draft ~ MINUTES
Guilford Pension Committee
Regular Meeting # 284 – November 18, 2010
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*), George Curry, David O'Connor, Alex Sommers 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: Joe Bivona (*Consultant, Wells Fargo Advisors*), Sharon Milroy (*Board of Education Insurance Dept.*), Sue Gomez (*Recording Secretary*).

(8:07 AM – 9:00 AM) - [0: 53]

Chairman Bob Hartmann called the meeting to order at 8:07 AM.

1. Public Forum.

None.

2. Approve minutes of:

2.1 Sep 16, 2010 Regular Meeting

Upon a motion made by Mr. Sommers and seconded by Mr. O'Connor it was unanimously voted to approve the revised (11.17.10) minutes of 9.16.10 as submitted.

3. Approve Requests from Public School Employees Non-Certified Pension Plan, as follows:

3.1 REMOVE and REQUEST CALCULATIONS FROM MILLIMAN:

Dorene Purvis, Cook Manager, Melissa Jones Elementary School
Date of Part-Time Hire: 9-1-99 Pension Credit Date: 9-1-99
Date of Full-Time Hire: 8-30-00 Date of Termination: 10-8-10
Reason: Resigned Salary: \$22,767.84 VESTED

3.2 ADD:

Joanne Adinolfi, Cook Manager, Adams Middle School
Date of Part-Time Hire: 11-22-93 Pension Credit Date: 9-1-95
Date of Full-Time Hire: 9-1-10
Reason: Took Manager Position Salary: \$21,359.52 VESTED

Lynnette Roberts, Cook Manager, A. W. Cox Elementary School
Date of Part-Time Hire: 9-1-04 Pension Credit Date: 9-1-04
Date of Full-Time Hire: 10-12-10
Reason: Took Manager Position Salary: \$21,359.52 NOT VESTED

* All members of the bargaining unit who are assigned to work thirty (30) hours a week or more and who participate in this pension shall receive credit for years of service retroactive to their date of hire as a cafeteria worker for the Guilford Board of Education to a maximum of fifteen (15) years.

3.3 REQUEST TO WACHOVIA FOR PENSION BENEFIT:

Juliet Calabrese, Clerical, Guilford High School
Salary: \$30,419.34 Date of Hire: 8-25-93
Date of Retirement: 8-26-10 Date of Commencement: 9-1-10
Pension Option: LUMP SUM - \$102,908.87

3.4 REQUEST TO WACHOVIA FOR PENSION DISABILITY BENEFITS:

Edward Harlow, Jr., Maintenance Tradesman – Plumber – District
Salary: \$55,515.64 Date of Hire: 12-18-78
Date of Retirement: 9-20-10 Date of Commencement: 10-1-10
Pension Option: Monthly – Life Only - \$2,006.39

Sharon Milroy explained the asterisk (*). Cafeteria workers who work 30+hours/wk are back credited for service when they are promoted to manager.

Upon a motion made by Mr. Sommers and seconded by Mr. Curry it was unanimously voted to approve items 3.1 to 3.4 as submitted. [5-0-0]

4. Finance Director's Report: (Numbering was corrected)

4.1 Monthly Investment Report from the Finance Director (Sep & Oct)

Ms. Villano pointed out that we were at 8% in September and at 9.97% at the end of October. Positive progress. Mr. Bivona will elaborate.

4.2 3rd Quarter Performance Evaluation Report – Joe Bivona

Mr. Bivona said that coming into September he was prepared for a weak Sept. and Oct. but surprisingly it came in strong. The Dow went from 9,800 to 11,400 and is now a healthy 11,000. There was no bad news except Real Estate. Another drag on the market is unemployment. Ms. Villano distributed copies of the Performance Evaluation Report from Wells Fargo.

(Tab 2 – p. 11) We were up 6.6% for the quarter; it should have been 8.7%. We were conservative in the 1st Q.; time to re-allocate to our Strategic Allocation Policy. (p. 12) Every manager was in-line or outperformed the Index. Our Fixed Income Manager, Hillswick, did quite well. 10.96% represents capitol gains. (pp.13 – 14) This shows how we should reallocate. We have \$2M in fixed over plus \$600,000 in cash. The issue is to keep cash available and to fund Small Cap Manager. This brought up the status of the Trustee for the Pension Plan. Ms. Villano said she spoke to Atty. Mike Dorney on 11/17/10. Mr. Dorney will contact George Curry this week to go over his recommended changes and questions about the document. We will hold off funding Small Cap for the next couple of months until the Trustee issue is settled.

(Tab 1) Mid Cap & Small Cap have been outperforming and Emerging Markets and we haven't had exposure. Mr. Bivona had e-mailed the Asset Allocation to the Committee on 11/17. They reviewed the graph. We usually go between D (8.2) and E (8.5). We are at 8%; 8.2% over 5 years. He recommended continuing to diversify the portfolio. Emerging Markets will do better than the European Union; this could add 3 -4 %.

There was further discussion concerning the turmoil of Fixed Income and the long term impact; bonds; and automatic rebalancing. We are not far off from the allocation plan - \$2.4M over-invested in Fixed Income is fine; part will go to Small Caps and part will go to Emerging Markets. This should take place within the next couple of months.

Mr. Bivona distributed a summary report of the Emerging Markets Managers Search Finalists. ***After discussion it was decided to invite Glovista to the Dec. 16th meeting for a presentation.*** When the trustee situation is resolved we will then add Oakridge (Small Cap Manager). This will probably be January or early February; so we will stay where we are until then. Mr. Bivona said that it cost us about 1% for not having money in the market these last two months *but* that we saved earlier in the year by not having the money in play.

Ms. Villano went over the 2004 Actuarial Assumptions Report that had previously been distributed. Wage increase assumption is at 4%; we will rarely see 4% as an average anymore. We should revisit this as it would reduce our liability. Ms. Villano had a note stating that 1% change can impact liability by 15-25%. Ms. Villano felt that it was time to do this study again. The cost is about \$25,000 but it could reduce contributions

by that amount. It's been 7 years since the last study. Mr. Bivona recommended using 5-year "smoothing."
Ms. Villano will contact Milliman.

It was suggested that they look at a 6% or 5% rate of return. We are at 7% at present. Milliman used 6 ½% instead of 7% so it will be offset. Ms. Villano will find out the cost and whether we should do it now; she was of the opinion that we should do it now.

5. Old Business:

5.1 Status of Appointment of Trustee (previously discussed above)

6. New Business:

None.

Adjourn Regular Meeting

There being no further business and upon a motion made by Mr. Sommers and seconded by Mr. Curry it was then unanimously voted to adjourn the meeting at approximately 9:00 AM – [0:53].

Respectfully submitted,

Susan Gomez
Nov. 23, 2010

THE NEXT REGULAR MEETING IS SCHEDULED FOR THURSDAY, December 16th, 2010, 8:00 AM
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 # 4 – November 18, 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.

Absent: Andy Potochney

Town Official(s): Joseph Mazza (*First Selectman*)

Others Present: Robert Hartmann (*Pension Committee, chair*) and Sue Gomez (*Recording Secretary*).

(9:05 AM – 10:00 AM) - [0:55]

Chairman George Curry called the meeting of the Defined Benefits Plan Sub-Committee to order at 9:05 AM.

He distributed copies of an article to the members.

1. Public Forum
None.

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

Upon a motion made by Mr. Goldblatt and seconded by Mr. O'Connor it was unanimously voted to approve the minutes of 9.16.10 as presented.

3. New Business

Mr. Curry related that he met with In-House Counsel Pam Millman and she reviewed the Request for Proposals (RFP) process for him. The Committee would not be bound by the Town purchasing program but she suggested that they use this process.

Representatives from ICMA and Mutual of America will show Mr. Curry their presentations the first week in December. ICMA is very large and has an extensive actuarial department. ICMA is through the Conference of Mayors and provides technical services and benefits exclusively for the public sector. He left a voice message for Fay Shepard at Wells Fargo. Some of the TPAs are lukewarm about taking on the Town with only 2 -5 participants in the plan. Cost and interest really won't work; it is not encouraging. If the Town had a freeze on the DBP then yes, they would talk. If it will be just going forward with new employees, they are not that interested. ICMA is interested and they are a turn-key program; they are a higher level than Mutual of America. Mr. Curry said they would take a look at a few projections in the Executive Session.

(Executive Session)

4. Benefits Exhibits

Upon a motion by Mr. Goldblatt and seconded by Mr. O'Connor it was unanimously voted to go into Executive Session was unanimously approved. Bob Hartmann was invited to remain. The Executive Session began at approximately 9:05 AM.

The Executive Session ended and upon a motion by Mr. Goldblatt and seconded by Ms. Villano it was unanimously voted to adjourn the meeting at approximately 10:00 AM.

Respectfully submitted,

Susan Gomez
Nov. 23, 2010

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