

**~ Draft ~ MINUTES**  
**Guilford Pension Committee**  
**Regular Meeting # 276 – March 18, 2010**  
Guilford Town Hall, 31 Park Street  
Selectmen's Conference Room, 8:00 A.M.

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

Members Present: George Curry (8:07), Robert Hartmann (*chair*), David O'Connor, and Wayne Staschke.

Excused: Alex Sommers.

Town Officials Present: Joseph Mazza (*First Selectman*) and Mitch Goldblatt (*Human Resources*).

Others Present: Sharon Milroy (Board of Education), John Roach (*ret. Police Officer*) and Sue Gomez (*Recording Secretary*).

(8:05 AM – 8:56 AM) - [0:51]

Chairman Bob Hartmann called the meeting to order at 8:05 A.M.

1. Public Forum.  
None.

2. Approve Minutes of:  
2.1 February 18, 2010

Upon a motion made by Mr. O'Connor and seconded by Mr. Staschke it was unanimously voted to approve the minutes of 2.18.10 as submitted. (4-0-0)

3. Finance Director's Report:  
3.1 Monthly Investment Report from the Finance Director (Feb.)

Chrm. Hartmann related that Ms. Villano had asked him whether we could get CDs through the Bank of Puerto Rico. They are yielding 2.39%. That's better than .01%. Ms. Villano will check with Ms. Millman. These would be laddered over 2-3 years.

(George Curry joins the meeting in progress at 8:07 AM)

Mr. Hartmann explained that they would put 1/4M at 3 mos.; 1/4M at 6 mos.; 1/4M at 9 mos. And 1/4M at 1 year. Mr. O'Connor asked whether this would be at different banks or all the same. Mr. Hartmann thought they would be all at the same bank. \$250,000 is the maximum per institution to be FDIC insured. Mr. O'Connor said that the \$250,000 may be going down to \$100,000. Someone said that this had been extended to 2011 or 2012. Mr. O'Connor cautioned them to be careful if all at one bank.

Mr. Hartmann pointed out that our Return on Fiscal Year to date was 14.2%. That is very good and Anchor is doing really well.

4. Correspondence:  
4.1 Article: "Communities scramble to reinforce broken Retirement Plans"  
(4pp. – *American City and Country* FEB 210) – Joe Mazza

First Selectman Mazza sent this article to the committee as an FYI. He spotted this article in one of the magazines that come to his office. The article explains how municipalities are getting away from defined Pension Plans and are going to 401K types or hybrid cash balance. Mr. Mazza felt that we had to get away

from a defined pension plan but it was a matter of how to do it. Mr. Mazza said he would like to get the Finance Committee on board and this Committee on board. Mr. Goldblatt added that employees and people don't understand the cost to the Town of the pension benefits. Pension plans are part of the collective bargaining process. We have 7 different units. The Guilford Supervisor's Association will be up for renegotiation next year.

Mr. Mazza said there is a downside to extending these contracts. A freeze this year results in extending the current contracts and pushing out the average 3 3/4% raises another year in the future. We needed the concession this year.

Mr. Curry said that the front page of *Barron's* magazine was "Pension Plans." Pension plans will be put much more before the public. The article is an eye opener. Connecticut is the 4<sup>th</sup> worst funded pension plan in the country. New Jersey is saying they can't afford it anymore and are changing. It was on CNBC yesterday and they will not back down this time. The numbers are scary: 4 trillion in liability and 1.7 (trillion?) in assets.

Mr. Mazza asked how our town stacked up. Mr. Curry said we were pretty well funded. Only 15 -18 towns of the 169 towns in CT do not have defined plans.

Mr. O'Connor asked what made Orange change; that was a very smart thing to do. Mr. Goldblatt explained that he had also been on the Orange Pension board as well as the BOS. There was a change on how the pension was calculated only for new hires and they are seeing the benefits of it now; no new people are coming into the pension plan, it's a closed system now. Mr. Mazza reiterated that even though we would not see relief now that we needed to make a start. Approximately 12 states are challenging these plans. Mr. Hartmann suggested that we should start some kind of campaign. Mr. Mazza counseled not doing anything publicly just yet. With the Teamsters, we just contribute to their plan and their medical and it's actually helping us now.

Mr. Goldblatt will look for an optimum time for the BOS, BOF and Pension Committee to start planning. He will coordinate with Mr. Mazza and Mr. Hartmann.

#### 4.2 Market Performance - NWQ

Received.

#### 5. Old Business:

##### 5.1 Status of Small Cap Pension Manager Enrollment

Deferred.

##### 5.2 Pension Fund Custodian

Deferred.

#### 6. New Business:

##### 6.1 2009 Employee Benefit Statements – Mitch Goldblatt

For the record, Mr. Goldblatt informed the committee that the Employee Benefit Statements had come in. Ms. Millman was working on OPEB and the statement will be mailed next week. He explained that the first number is an estimate if you retire at the normal date. The second number is where a person is right now.

Anthem is averaging 8% and we were expecting 10%. We are self-insured. Mr. Mazza said that this year the self-insurance fund had a \$390,000 deficit due mostly to one catastrophic event that hit the stop loss maximum of \$175,000 as well as another at \$100,000 and several other high claims. Our claims have been high this year. At the end of the fiscal year we go back to zero.

Mr. Curry said the OPEB report is out and it is not awful but that we have significant exposure. Police officers are the bulk; people are retiring earlier and living longer. He suggested that later they should look that the Pension has a cap and that we are not paying on overtime.

Joe Bivona is expected to be at the April meeting.

***The next Regular Meeting is scheduled for  
Thursday, April 15th, 2010 – 8:00 AM.***

Adjourn

There being no further business, and upon a motion by Mr. Staschke and seconded by Mr. O'Connor, it was unanimously voted to adjourn the meeting at approximately 8:56 AM – [0:51].

Respectfully submitted,

Susan Gomez  
March 19, 2010

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