

**Town of Guilford  
Pension Committee  
Regular Meeting Minutes  
May 16, 2012  
8:00 AM  
Town Hall**

Present: Pension Committee: Robert Minatti, David O'Connor,  
Alex Sommers; Chair and Wayne Staschke.

Absent: Patrick Smith.

Town Officials: Mitchell Goldblatt; Director of Human Resources, Joseph Mazza;  
First Selectman, Sharon Milroy; Benefits Coordinator, Board of  
Education, Sheila Villano; Finance Director.

Others: Mr. Joseph Bivona; Wells Fargo Advisor.  
Mr. Thomas Bivona; Wells Fargo Advisor.

Chairman Sommers called the meeting to order at 8:00 AM.

**1. Public Forum:**

No public comment.

**2. Approval of the Minutes:**

**2.1 Approval of the minutes of the April 18, 2012 Pension Committee meeting.**

Motion: Upon a motion by Mr. David O'Connor and seconded by Mr. Wayne Staschke  
the Pension Committee voted to approve the minutes of the April 18, 2012,  
Pension Committee Meeting, as presented.

In favor: Minatti, O'Connor, Sommers, Staschke.

Opposed: None.

Abstained: None.

**3. Finance Director's Report:**

**3.1 Monthly Investment Report: Sheila Villano; Finance Director.**

Ms. Villano distributed copies of the monthly investment report for review. The total cumulative FYTD investment return is 4.6 %. Ms. Villano noted that NWQ had had a 50% loss with the sale of Genworth stock. Mr. Joseph Bivona stated he was not notified of the lots of sale but recognizes the impact this has on the entire portfolio. Ms. Villano stated that that other accounts are business as usual and stated that the goal is to achieve a 7% return every year.

**4. Old Business:**

**4.1 Update on defined contribution plan:**

Mr. Goldblatt updated the Committee that negotiations with the Police Union continue. Negotiations with the Dispatchers Union will begin next week. Ms. Milroy reported that the Board is enrolling two new hires into the plan. She stated that this has been a slow process. Explanation and understanding the plan is not clear to each individual and the return of the paperwork has been slow. Selectman Mazza stated that he has seen this during the current Police Union negotiations. He asked Mr. Staschke if he could sit with the negotiators who are on the Police plan to review questions and explain differences in defined contribution plans for clarification. Mr. Mazza stated that pension plans have been engrained into the minds of many and they have just become too unaffordable for municipalities to attain with the higher salaries that have been established over the last few years. Mr. Goldblatt also commented that many opinions have been conceived as only about a half dozen police unions in Connecticut have adopted defined contribution plans. Chairman Sommers agreed that this is new ground to explore and the understanding and acceptance may be slow.

**5. New Business:**

**5.1. Determine remedy for resolving a COLA paid in 2006 in error.**

Mr. Goldblatt reported to the Committee that after the last meeting and following the direction of the motion approved by the Pension Committee to recommend the Board of Selectmen remedy any COLA errors, he presented the 2006 COLA over-payment error

to the Board of Selectmen. The Board of Selectmen voted to attempt to collect any overpaid funds. Mr. Goldblatt also presented this to the Town Attorney for opinion, who felt strongly that the overpaid funds needed to be replenished. Upon a conversation with the individual who was paid incorrectly, he has worked out a payment schedule and this has closed the issue as the Pension Committee delegated responsibility to the Board of Selectmen. The \$4,329.59 will be repaid in 71 monthly installments. Chairman Sommers complimented Mr. Goldblatt on this resolution to the problem. Mr. Goldblatt also reported that the pension restatements are being processed by Mr. Kenneth Friedman; Milliman Actuary including new language. The Town Attorney will review the amendments and changes and then they will return to the Pension Committee.

#### **6. Investment Review:**

Mr. Thomas Bivona stated that Mr. Joseph Bivona and he had attended the CEEMA Conference in Washington, DC. The very best economists were there and attend this meeting conference. He remarked that he had noted a worthy consideration that he wanted to share from the meeting. History has a trend with interest rates as can be seen over the last 50-60 years in the economy. Following wars and poor economy the interest rates have remained low and this is expected to remain evident until 2014. Mr. Thomas Bivona presented the quarterly review, including a comparison of the area like-towns and the history of the return in those plans. He reviewed the last quarter and stated that this has been the best quarter since 1998, although the European markets are struggling. The US Unemployment rate has dropped and is at 8.3% hopefully having a positive effect and influence on the economy. He stated that they will continue to monitor very closely. Anchor has under-performed in the last 18 months and he will request a due-diligence report from them. Mr. Joseph Bivona continued the review comparing the parameters in the accounts and asked about re-balancing thoughts to get the portfolio back to target. Chairman Sommers asked for strategy and recommendations from the Committee and Ms. Villano, including cash needs.

Motion: Upon a motion by Mr. Robert Minatti and seconded by Mr. David O'Connor the Committee voted reduce the fixed income by 4% from HILLSWICK and move 50% to BRANDES and 50% to INVESCO.

In favor: Minatti, O'Connor, Sommers, Staschke.

Opposed: None.

Abstained: None.

Ms. Villano stated that the goal is to achieve a 7% return every year and she hoped and would like to see this achievement at the end of this fiscal year.

Mr. Goldblatt informed the Committee that he would not be in attendance at the next meeting; Wednesday, June 20 2012. He will have any information prepared for distribution at the meeting, prior to the meeting.

Motion: Upon a motion by Mr. David O'Connor and seconded by Mr. Wayne Staschke the Committee voted to adjourn the meeting at 9:05 AM.

In favor: Minatti, O'Connor, Sommers, Staschke.

Opposed: None.

Abstained: None.

Respectfully submitted,  
Katherine DeBurra  
Recording Secretary