

**~ Draft ~ MINUTES**  
**Guilford Pension Committee**  
**Regular Meeting # 279 – June 17, 2010**  
Guilford Town Hall, 31 Park Street  
Selectmen's Conference Room, 12:00 NOON

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

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

Excused: Alex Sommers.

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

Others Present: Sharon Milroy (*Board of Education Insurance Dept.*), John Roach (*ret. Police Officer*), Joe Bivona (*Consultant*), Bruce Nelson (*Brandes Investments*) and Sue Gomez (*Recording Secretary*).

(12:22 PM – 12:56 PM) - [0:34]

Chairman Bob Hartmann called the meeting to order at 12:22 P.M.

1. Public Forum.  
None.

2. Approve minutes of:  
2.1 May 20, 2010 Regular Meeting

**Upon a motion made by Mr. Curry and seconded by Mr. O'Connor it was unanimously voted to approve the minutes of 5.20.10 as submitted. (4-0-0)**

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

Ms. Villano reported that the DOW is down 4% from April. Joe Bivona commented that the market has come back in the last 10 days. Mr. Hartmann noted that Montag was down 10%, Brandes was down 11% and Invesco was down 10%. Hillswick performed well and Mr. Curry thought they were "dead on" with interest rates and the pension committee investment strategy. Mr. Bivona felt that the 2<sup>nd</sup> half of the year would be tough; we did a revaluation at the May meeting and he felt that they did pretty well. Ms. Villano said that the rebalancing would take place in June.

Mr. Bivona's plan was to move the pension funds from Wells Fargo Bank as Custodian to Wells Fargo Advisors in about three weeks, after the Fiscal Year end. Oakridge is anxious to begin as Small Cap Manager. Ms. Villano said that unless a Trustee is appointed Wells Fargo Bank will not release the funds to Wells Fargo Advisors. Mr. Bivona will e-mail everyone if he is not here for the July 22nd meeting. Ms. Villano said they are waiting for the attorneys to recommend who the Trustee should be. We are set with IPI and they will prepare and mail the benefit checks Aug. 1<sup>st</sup>. Mr. Hartmann felt that the Trustee should be the Board of Selectmen. The transfer will take about 2 weeks after the quarter ends.

The next regularly scheduled meeting is for July 15th. We probably would not have the reports by then.

**Upon a motion by Mr. Curry and seconded by Mr. Staschke it was unanimously voted to change the meeting date to July 22nd to allow more time for reports to come in. (4-0-0)**

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Ms. Villano commented that the interest rate on cash went up from .03 to .08 and that was a surprise. Mr. Curry said that institution Money Market rates are going up.

4. Approve enrollments, termination(s), etc. for the Board of Education, as follows:

4.1 **REQUEST FOR PENSION BENEFITS:**

Wendy Hill, ParaEducator, A. W. Cox Elementary School  
Date of Full Time Hire: 9-1-86  
Date of Retirement: 8-31-10  
Date of Commencement of Benefits: 9-1-10 VESTED

4.2 **PARTIAL LEAVE OF ABSENCE REQUEST:**

Andrea Basel, ParaEducator, Melissa Jones Elementary School  
Date of Full Time Hire: 9-7-04  
Date of Reduced Hours: 9-1-10  
Reason: Taking a class to finish her degree and will reduce her hours from 30 hrs/wk  
To 27 hrs/wk from 9-1-10 to 8-31-11. Will resume 30 hrs/wk as of 9-1-11.

***Upon a motion by Mr. Staschke and seconded by Mr. O'Connor it was unanimously voted to approve items 4.1 through 4.2. (4-0-0)***

5. Correspondence:

None

6. Old Business:

6.1 Follow-up on creation of committee to research Defined Contribution Plans.

The Defined Contribution Plan subcommittee was officially created at the May 20, 2010 meeting with George Curry as Chairman and members: Wayne Staschke, David O'Connor, Andy Potochney, Sheila Villano and Mitch Goldblatt.

Meeting Schedule: The committee decided that it would be convenient to meet after the regular Pension Committee Meeting.

Mr. Curry has already contacted three Third Party Administrators (TPAs) that have experience with municipalities. Mr. Mazza said we would be looking for options to compare with the cost of the current plan. Last week, the Town of Cheshire negotiated with their Police Department to change plans. The State of Colorado, last week, made it known that they are changing their state retirement plan and Illinois is right behind them. Colorado will be the first to challenge the law.

Mr. Goldblatt said that the West Haven decision has been a big set back on this. It is important to find out the reasoning in West Haven. We need to see what is behind the rhetoric and find out the costs of making the change. The Fire Department requested the option to go to the MERF plan; it was cost prohibitive for the town. It took a year of study to get all that info. Mr. Bivona added that some towns have a 457 plan for new hires and give an option to the current employees to change. The selling point is portability.

Mr. Curry pointed out that 457 deferred plans have a major flaw in design; it's a general asset of the Town (subordinated asset). Some town in Rhode Island is going into receivership and those monies are at risk. There is an element of forfeiture and some towns are going to 401K or 403b instead to get around that. Mr. Curry will verify this with one of the TPA firms. Currently, the state of CT is the 4th worst funded in the country! This is a huge liability.

Mr. Curry asked for census data: potential eligibles; salaries; dates of birth; dates of hire. We can ship this information off and begin to get pricing on administration of the program. Mr. Curry will ask for reports back for the July 22nd meeting. This is a busy time for the TPA firms; it is reporting time for July 15th. If we get the data to them quickly that will give them about 2 - 3 weeks to prepare some numbers. Ms. Villano

asked if he wanted the Board of Education as well and he said yes. We will try to be as uniform as possible – but this is difficult. Ms. Villano said she would coordinate with Sharon Milroy and get the data to Mr. Curry.

The secretary was advised that when posting the meeting agenda that she add “executive session may be required.”

Mr. Curry distributed some pertinent newspaper articles.

7. New Business:  
None.

***The next Regular Meeting is scheduled for  
Thursday, July 22nd, 2010 – 8:00 A.M.  
with Defined Benefits Plan Subcommittee  
Meeting following the Regular Meeting.***

Adjourn Regular Meeting

There being no further business the meeting adjourned at approximately 12:56 PM – [0:34].

Respectfully submitted,

Susan Gomez  
June 21, 2010

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The Pension Committee was then addressed by representatives of the following companies:

**ANNUAL REVIEW MEETING AGENDA**

1:00 – 1:30 PM Brandes Investment Partners (Bruce Nelson)  
1:30 – 2:00 PM Hillswick Asset Management (Peter Hamilton)  
2:00 – 2:30 PM NWQ (Lisa George)  
2:30 PM Closing Remarks