

**Retirement Benefits Advisory Committee
Meeting Minutes
Thursday, December 11, 2014**

Meeting called to order at 6:04 PM.

Members present: Michael Matson, Bob Belden, Jeff Rossi, Marty Flynn, Bill Leverage, Irv Agard

Also attending: Fern Smenyak (HR), Gina Acri (Wells Fargo), Christopher Koeller (Wells Fargo)

Members of the public: None

- 1) Minutes were approved for November.
- 2) The ordinance to add BOE representation was approved since our last meeting, and the BOE is in the process of naming their representative. We are expecting that person to be named by our January meeting.
- 3) Bob Belden provided an update on the packaging of the pension analysis / proposal presentation. A draft of the deck will be distributed to the committee over the holidays with a plan to discuss it at the January meeting.
- 4) It was agreed to adjust the 2015 schedule to be on the second Thursday of each month at 6:00 PM.
- 5) There was a brief discussion with Gina Acri on the Volunteer Firemen's Service Awards (VFSA) account setup, addressing account signatures and other administrative matters.
- 6) Chris Koeller updated the committee on investment results through 3Q14. Chris provided update on Wells Fargo's view of the overall macro economy, our current pension allocation and investment returns. The Town's current investment mix is 62.1% in equities, 2.7% in cash, and 35.2% in fixed income, close to the Town's objective of 60/40 mix. Chris's advice was to continue our current mix. As of 09/30/2014 the value was \$42.2M. The one year portfolio return was 8.25% vs the blended benchmark of 8.81% and since inception in 11/2011 the portfolio earned 10.45% vs the blended benchmark return of 10.26%. The combined fund investment management expense and Wells Fargo fee total 0.38% of the pension plan assets. With the Town's current mix of investments, Wells Fargo's forward looking investment outlook for 2015 is in the 7% range, better than the Town's actuarial assumption of 6.5%. Chris discussed an opportunity to sell some of the inherited individual bonds in the older bond portfolio to reap some of the market gains and reinvest into bond funds. He will provide a specific proposal.

Motion to adjourn by Marty Flynn, seconded by Jeff Rossi.

Adjourn 7:34 PM.

Approved at RBAC Meeting, January 8, 2015