

**PENSION COMMITTEE  
TOWN OF EAST WINDSOR  
11 RYE STREET  
BROAD BROOK, CONNECTICUT**

**MINUTES OF REGULAR MEETING**

**Wednesday, April 20, 2016 at 6:00 p.m.**

These minutes are not official until approved at a subsequent meeting.

Members Present: Jason Bowsza, Edward Bowsza, David King, Tom Stempfer,  
Kathleen Bilodeau, Cindy Herms (arrived at 6:04 p.m.),  
and Jerilyn Corso (arrived at 6:36 p.m.)

Members Absent: None

Others: Kimberly Lord, Robert Maynard, Robert E. Maglio, Robert M.  
LeBreux and Becky Sielman

Press: None

**I. Call to Order**

Chairman Jason Bowsza called the Meeting to Order at 6:00 p.m in the Meeting Room at the East Windsor Town Hall, 11 Rye Street, Broad Brook, Connecticut.

**II. Approval of Minutes**

- Regular Meeting of January 20, 2016

It was **MOVED** (Bowsza, E.) and **SECONDED** (Stempfer) and **PASSED** (3-0-1) (In favor – E. Bowsza, D. King, T. Stempfer; Opposed – None; Abstain – K. Bilodeau) that the Pension Committee approves the Regular Meeting Minutes of January 20, 2016 as presented.

- Special Meeting of April 6, 2016

It was **MOVED** (King) and **SECONDED** (Bowsza, E.) and **PASSED** (4-0) (In favor – E. Bowsza, D. King, T. Stempfer, K. Bilodeau; Opposed – None; Abstain – None) that the Pension Committee approves the Special Meeting Minutes of April 6, 2016 as presented.

**III. Public Participation**

None.

#### **IV. New Business**

##### **a. Pension Plan Investment Update – Webster Bank**

Mr. Maglio and Mr. LeBreux of Webster Bank addressed the Committee. They presented to the Committee with a Summary of Investment Performance of the Town of East Windsor DB pension for the period ending March 31, 2016. Mr. Maglio and Mr. LeBreux reported the beginning and closing valuations of the plan and reviewed the activity throughout the period identified. Discussion continued regarding current market conditions, both domestically and abroad.

A brief discussion was held.

##### **b. Rate of Return Assumption Discussion – Becky Sielman, Millman**

Ms. Becky Sielman of Millman joined the meeting. Mr. Jason Bowsza went around the table and introduced everyone in attendance. She gave a document entitled “Millman 2015 Public Pension Study” dated November 2015. She referred to Page 8 which discussed Long-Term Expected Rate of Return. The best estimate range for the long term expected rate of return is determined by adding expected inflation to expect long term real returns and reflecting expected volatility and correlation. The capital assumptions are per Millman’s investment consulting practice as of June 30, 2014. The target allocation are Core Fixed Income at 40% and Broad US Equities at 60%. When figuring asset classes, Millman uses a seventy-five years which is a very long period, looking for trends and how fixed income at 40% and equities at 60% and add inflation to the long term specific target allocation using different interest rates. Based on June 30, 2014 the portfolio normal mean return was 6.46%. She explained each year the analysis of future investment returns should be revisited as the market changes and in order to keep the allocations 60%/40%. She discussed Capital Market Assumptions. The market’s consensus views on long term future investment returns have been decline since the turn of the century for equity investments and on real returns on fixed income have also fallen. Overall the median expected investments fell from 8% to 6.5%. Many pension plans sponsors have been shifting their investment return assumptions downward in response to this trend. A new mortality table and new accounting standards of GASB were also discussed.

A lengthy discussion was held. It was discussed if the Committee should make any decisions on current assumptions. The next report is due out during the summer months and changes could be made for fiscal year 2018.

V. **Executive Session: Pursuant to Connecticut General Statutes Section 1-200(6)(b) – strategy and negotiations with respect to pending claims for pending litigation**

It was **MOVED** (Bilodeau) and **SECONDED** (King) and **PASSED** (5-0) (In favor – E. Bowsza, D. King, T. Stempfer, K. Bilodeau, J. Corso; Opposed – None; Abstain – None) that the Pension Committee enter into Executive Session and invite the First Selectman, Robert Maynard and Treasurer, Kimberly Lord to attend at 7:04 p.m.

Executive Session ended at 7:37 p.m.

It was **MOVED** (Bilodeau) and **SECONDED** (King) and **PASSED** (5-0) (In favor – E. Bowsza, D. King, T. Stempfer, K. Bilodeau, J. Corso; Opposed – None; Abstain – None) that the Pension Committee affirm the interpretation of the language in the pension document associated with the pending settlement.

VI. **Adjournment**

It was **MOVED** (King) and **SECONDED** (Bowsza, E. and **PASSED** (5-0) (In favor – E. Bowsza, D. King, T. Stempfer, K. Bilodeau, J. Corso; Opposed – None; Abstain – None) that the Pension Committee adjourn the Regular Meeting of April 20, 2016 at 7:38 p.m.

Respectfully submitted,

Denise M. Piotrowicz  
Substitute Recording Secretary