

**PENSION AND RETIREMENT BOARD
TOWN OF EAST WINDSOR
11 RYE ST
BROAD BROOK, CONNECTICUT, 06016**

**MINUTES OF REGULAR MEETING
Wednesday, July 18, at 5:30 p.m.**

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

Regular Members Present:

Jason Bowsza, Cynthia Herms, Frances Neill, Elizabeth Burns, Edward Bowsza, David King

Regular Members Absent:

William Syme

Guests:

Amy O'Toole, Town Treasurer, Robert Lebreux, Webster Bank, Robert Maglio, Webster Bank

1. Call to Order:

Jason Bowsza called the meeting to order at 5:31 p.m. at the Town Hall Meeting Room, 11 Rye Street, Broad Brook, CT.

2. Approval of Minutes:

MOTION made by (Burns) and **SECONDED** by (E. Bowsza) to accept the Minutes of the Pension and Retirement Board Meeting, April 18, 2018, as submitted.

In Favor: All

Opposed: None

Motion: **PASSED**

3. Public Participation:

Lori Butenas – From Human Services and Union President for Clerical stated that the Clerical Contract was ratified in April and was supposed to go to the Board of Selectmen for approval and she was wondering where it stood in that process because she has not yet see it. She stated that she has members asking about the status of the contract. Jason stated that he will ask to talk about it in Executive Session tomorrow night at the BOS meeting. He said it would have to be voted on in open session after the Executive Session and he would ask to make that happen.

Ginny Powers – Stated she is interested in what is going to go on with the 457b. She stated that she has a vested interest and has a good deal of funds in the 4%. She said she has some concerns

about switching from Voya. She is afraid that looking for another investment company that they would not offer the 4%. The Treasurer tends to agree that it will be near impossible to get 4% from anyone else. Jason stated that the process has started and if there is a change then it would go to a vote but there would be opportunities for members to weigh in prior to the vote. It would be put on the Agenda so members would know what is happening. Jason said it would most likely be on the January Agenda but could possibly be on October's. Amy stated that there would be presentations prior to the vote.

4. Communications:

None

5. New Business:

A. Pension Fund Update – Webster Bank

Representatives from Webster Bank, Robert Magilo and Robert LeBreux, came and gave an in depth update on the Pension Fund. Board members asked a few questions and a lengthy discussion followed. During the discussion, David King requested to have the Large Cap Value Growth broken out and he was told that that could be done. Jason Bowsza went on to ask about an issue he has been hearing a lot from Board members on other Boards that have taken an interest in the Pension Fund. He has heard that the Town does not need to have a diversified portfolio and that everything should be put in the S & P and just walk away. These are not his feelings but wanted an expert opinion on whether or not this would be a good idea. It was explained that they try and beat the S & P 500 which is the US Large Cap which is hard to do since the US Large Cap Market is the most efficient market there is. So typically what is done is buy the S & P 500 and just do what the Index does. What they are trying to do is find active managers with mutual funds that they think can outperform the Market. One of the managers they have is heavily weighted in tech right now and he is outperforming the S & P. If tech drops off then he would be underweighted and he would be under performing the S & P. So what they try and do is manage the managers. This allows them to ride the wave of the Market and allows them to try to maximize the effort of the Town's plan. With just investing in the S & P it does not allow for this. Jason also asked about how defend when these same people state that the benchmarks that are being used are wrong. He was told that the benchmarks are public and can be looked up. He was also told it all comes down to prudent investing and active portfolio management. The Pension Benchmark for East Windsor is 5% MSCI EAFE, 40% BarCap Int Govt/Cred and 55% S & P 500.

B. Voya Financial

Nothing, no one was present from Voya to give a report.

C. Defined Contribution 401a & 457 Plan RFP

The Treasurer just wanted to let the Board know that it is out there with a requirements date of August 3rd back. She states that she hasn't heard anything yet and probably wouldn't until August 3rd. She also states the FIA and Hooker and Holcomb have both reached out to her and

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said they were not interested because they really are an investment advisor and would most likely give the Town options and let the Town pick the which option they wanted, where Webster does everything independently. A lengthy discussion ensued.

6. Old Business:

None

7. Executive Session:

None, not needed.

8. Adjournment:

MOTION made by (Burns) and **SECONDED** by (E. Bowsza) to adjourn at 6:51 p.m.

In Favor: All

Opposed: None

Motion: **PASSED**

Respectfully Submitted,

Rebecca D'Amicol, Recording Secretary