

**LITCHFIELD PENSION COMMISSION
REGULAR MEETING
TUESDAY, APRIL 11, 2017
MINUTES**

Present: M. Dunn, J. Manes, P. Perusse

Also present: First Selectman Leo Paul, Jr., Administrative Assistant to the First Selectman: R. Carroll

Absent: F. Carpentier, J. Morosani, D.T. Wilson

The meeting was called to order by Chairman P. Perusse at 7:02p.m.

Approval of Minutes of December 6, 2016 and February 14, 2017 Regular Meetings: **Motion:** by M. Dunn seconded by J. Manes to approve the minutes of the December 6, 2016 regular meeting. All voted aye and the motion carried. **Motion:** by M. Dunn seconded by J. Manes to approve the minutes of the December 6, 2016 regular meeting correcting date "Approval of Minutes of December 6, 2016". All voted aye and the motion carried.

Benefit Approvals: John Whalen, (deceased) Municipal Plan designated beneficiary to receive a 10 year certain benefit of \$1,399.82/month effective 1/1/2017. **Motion:** M. Dunn moved to approve, seconded by J. Manes; all voted aye and the motion passed unanimously. Lori Fitzgerald, Municipal Plan retiree to receive a disability life annuity without death benefit of \$1,740.68/month effective 1/1/17. **Motion:** M. Dunn moved to approve, seconded by J. Manes; all voted aye and the motion passed unanimously. Richard Duffy, Merit Service Plan retiree elected to receive a joint and 100% contingent annuity of \$365.04/month effective 3/1/17. **Motion:** M. Dunn moved to approve, seconded by J. Manes; all voted aye and the motion passed unanimously.

Direct Deposit of Benefits Status: P. Perusse said there is one remaining retiree who has refused to make the change to direct deposit. The bank has sent letters to no avail. Perusse will contact this retiree by phone to explain that there are no other options available.

Discussion of Review and Update of Municipal Plan: L. Paul stated that more than likely there will be sufficient funds in this fiscal year's budget for updating the Plan. He will notify the commission within the next few weeks on the budget status. Once the budget is available the commission can move forward with an RFP. M. Dunn said the commission wishes to hire someone with experience in municipal plan documents.

L. Paul brought the commission up to date on issues with the defined contribution plan enrollment and contributions as well as the one percent employee contributions to the defined benefit plan with Board of Education employees. The Auditor is working with the Board of Education to correct the errors.

Communications:

- a.) J. Morosani provided the commission with an investment performance review spreadsheet showing investments consistent with the market (attached).
- b.) Invoice from Hooker and Holcombe, Inc. for Actuarial Services in the amount of \$13,575.00 dated March 20, 2017 was received. Motion: M. Dunn moved to approve the Hooker and Holcombe, Inc. invoice, dated March 20, 2017, for payment, seconded by J. Manes; all voted aye and the motion passed unanimously.

Items for next agenda:

- a.) Plan Review Update

Adjournment: Motion: by M. Dunn to adjourn at 7:27p.m. and J. Manes seconded. All voted aye and the motion carried.

Respectfully submitted,

Peggy Perusse
Chairman

TOWN OF LITCHFIELD - CONSOLIDATED
Investment Performance as of 3/31/17

Asset Class	Policy		PT		Month Ended 3/31/2017		Month Ended 3/31/2017		QTD 1/1/2017 - 3/31/2017		Fiscal YTD 7/1/2016 - 3/31/2017		New Strategy Implementation 11/1/2013 - 3/31/2017*		
	Minimum	Target (PT)	Maximum	PT	Portfolio Allocation (PA)	PA % of Class	Market Value	Asset Return	Benchmark Return	Asset Return	Benchmark Return	Asset Return	Benchmark Return	Asset Return	Benchmark Return
Total Equities	55.0%	60.0%	100.0%	65.0%	59.8%	100.0%	\$ 10,056,488	0.43%	0.44%	6.07%	6.18%	13.87%	14.04%	8.77%	8.95%
US Equities	41.0%	46.0%	76.7%	51.0%	46.0%	77.0%	\$ 7,743,745	0.06%	0.07%	5.63%	5.74%	14.91%	15.04%	10.76%	10.90%
REIT	0.0%	3.0%	5.0%	5.0%	2.5%	4.2%	\$ 417,905	-2.42%	-2.37%	0.80%	0.99%	-3.56%	-3.42%	9.96%	9.22%
International Equities:															
Developed Economies	2.0%	6.0%	10.0%	11.0%	6.1%	10.3%	\$ 1,034,322	3.00%	2.78%	7.82%	7.65%	13.09%	13.85%	1.67%	1.66%
Emerging Economies	0.0%	5.0%	8.3%	10.0%	5.1%	8.6%	\$ 860,516	2.26%	2.00%	10.84%	10.22%	14.90%	15.78%	0.42%	0.87%
Total Fixed Income	35.0%	40.0%	100.0%	45.0%	40.2%	100.0%	\$ 6,767,971	0.02%	0.01%	0.95%	0.99%	0.66%	0.30%	1.66%	2.22%
High Quality Bond **	28.0%	33.0%	82.5%	38.0%	31.9%	79.2%	\$ 5,359,842	0.02%	0.05%	0.69%	0.78%	-0.78%	-1.14%	1.70%	1.87%
High Yield Bond	0.0%	5.0%	12.5%	10.0%	4.5%	11.2%	\$ 754,646	-0.31%	-0.22%	2.87%	2.70%	11.00%	10.30%	3.11%	5.22%
Cash Equivalents	2.0%	2.0%	5.0%	15.0%	3.9%	9.7%	\$ 653,483	0.03%	0.06%	0.07%	0.15%	0.20%	0.33%	0.25%	0.16%
Total Market Value							\$ 16,824,459								

Gross of Fees	Account Performance - Gross of USB Fees	0.25%	4.04%	8.58%	6.11%
	Blended Benchmark (based on Policy Targets)	0.23%	4.02%	8.41%	6.44%
	Deviation to Benchmark	0.02%	0.02%	0.17%	-0.33%
	Target Expected Deviation to Benchmark (Gross)	-0.02% to -0.04%	-0.06% to -0.11%	-0.19% to -0.34%	-0.25% to -0.45%
Net of Fees	Account Performance - Net of Fees	0.21%	3.92%	8.20%	5.61%
	Deviation to Benchmark	-0.02%	-0.10%	-0.21%	-0.83%
	Target Expected Deviation to Benchmark (Net)	-0.06% to -0.08%	-0.19% to -0.24%	-0.56% to -0.71%	-0.75% to -0.95%

* Asset returns may not represent entire column period.
 ** Certificates of Deposit with maturities greater than 1 year are included in High Quality Bonds.

TOWN OF LITCHFIELD - OPEB
Investment Performance as of 3/31/17

Asset Class	Policy Target (PT)		PT % of Class	Maximum % of Class	Portfolio Allocation (PA)	Month Ended 3/31/2017		Month Ended 3/31/2017		QTD 1/1/2017 - 3/31/2017		Fiscal YTD 7/1/2016 - 3/31/2017		New Strategy Implementation 11/1/2013 - 3/31/2017*		Index
	Minimum	Maximum				PA % of Class	Market Value	Asset Return	Benchmark Return	Asset Return	Benchmark Return	Asset Return	Benchmark Return	Asset Return	Benchmark Return	
Total Equities	55.0%	60.0%	100.0%	65.0%	61.2%	100.0%	\$ 772,237	0.40%	0.44%	6.02%	6.18%	13.74%	14.04%	8.78%	8.95%	
US Equities	41.0%	46.0%	76.7%	51.0%	47.3%	77.2%	\$ 596,394	0.06%	0.07%	5.63%	5.74%	14.89%	15.04%	10.73%	10.90%	Russell 3000 Index
REIT	0.0%	3.0%	5.0%	5.0%	2.8%	4.6%	\$ 35,514	-2.42%	-2.37%	0.80%	0.99%	-3.75%	-3.42%	9.78%	9.22%	MSCI US REIT INDEX Pre 8/19/2014 - Dow Jones Equity REIT Index
International Equities:																
Developed Economies	2.0%	6.0%	10.0%	11.0%	6.1%	9.9%	\$ 76,638	3.00%	2.78%	7.82%	7.65%	13.09%	13.85%	1.69%	1.66%	FTSE Developed ex North America Index Pre 8/19/2014 - MSCI EAFE Gross Index
Emerging Economies	0.0%	5.0%	8.3%	10.0%	5.0%	8.2%	\$ 63,691	2.26%	2.00%	10.84%	10.22%	14.90%	15.76%	0.42%	0.87%	FTSE Emerging Market Index Pre 8/19/2014 - MSCI Emerging Mkts (ex Gross)
Total Fixed Income	35.0%	40.0%	100.0%	45.0%	38.8%	100.0%	\$ 489,002	0.00%	0.01%	0.92%	0.99%	0.45%	0.30%	1.63%	2.22%	
High Quality Bond	28.0%	33.0%	82.5%	38.0%	31.4%	80.9%	\$ 395,782	0.05%	0.05%	0.72%	0.78%	-0.91%	-1.14%	1.68%	1.87%	Barclays Interm Govt/Credit Index
High Yield Bond	0.0%	5.0%	12.5%	10.0%	4.5%	11.5%	\$ 56,473	-0.31%	-0.22%	2.87%	2.70%	11.00%	10.30%	3.15%	5.22%	Barclays High Yield Corporate Index
Cash Equivalents	2.0%	2.0%	5.0%	15.0%	2.9%	7.5%	\$ 36,747	0.02%	0.06%	0.09%	0.15%	0.22%	0.35%	0.22%	0.16%	90-Day US Treasury Bill
Total Market Value							\$ 1,261,239									

Gross of Fees	Account Performance - Gross of USB Fees	0.25%	3.99%	8.45%	6.11%
	Blended Benchmark (based on Policy Targets)	0.23%	4.02%	8.41%	6.44%
	Deviation to Benchmark	0.02%	-0.03%	0.04%	-0.33%
	Target Expected Deviation to Benchmark (Gross)	-0.02% to -0.04%	-0.06% to -0.11%	-0.19% to -0.34%	-0.25% to -0.45%
Net of Fees	Account Performance - Net of Fees	0.21%	3.87%	8.07%	5.61%
	Deviation to Benchmark	-0.02%	-0.15%	-0.34%	-0.83%
	Target Expected Deviation to Benchmark (Net)	-0.06% to -0.08%	-0.19% to -0.24%	-0.56% to -0.71%	-0.75% to -0.95%

* Asset returns may not represent entire column period.