

**PENSION COMMISSION SPECIAL MEETING  
TUESDAY, MARCH 12, 2013  
FIRST SELECTMEN'S OFFICE – TOWN OFFICE BUILDING  
7:00 P.M.**

**Minutes**

**Present:** F. Carpentier, B. Barnes, D. T. Wilson, P. Perusse. Also present were Patricia Carlson and Nancy Kiely of Union Savings Bank and Roxanne Carroll of the Selectmen's office. **Absent** due to schedule conflicts were M. Dunn, J. Morosani and J. Manes. The meeting was declared open at 7:00 PM. The chair declared B. Barnes and D.T. Wilson voting members based on absences of regular members.

**Minutes:** F. Carpentier moved to accept the minutes of December 4, 2012. Seconded by D. T. Wilson. All voted aye.

**Financial Update:** Nancy Kiely informed the members that the soft recovery appears to be going forward at this time and they will continue to overweight equities with a preference for high quality large-cap companies with international exposure. They will also focus on small and mid-cap companies as they have had a good run and feel that they will continue to perform well. They expect that the U.S. market will outperform the Eurozone and Japanese markets and will continue to underweight these areas as they feel there is more upside opportunity in the emerging economies where company valuations are quite attractive. She reported that Real Estate did very well in 2012 and she expects that trend to continue. Inventory is being drawn down and new housing permits continue to increase. The market value of the Municipal and Merit Service funds at 12/31/2012 was \$11,081,299 and the market value of the BOE OPEB fund as of the same date was \$648,022.

It was noted that at the December 4<sup>th</sup> meeting a motion was passed to increase the target asset allocation for cash from 0% to 2% and to reduce the target allocation for high quality fixed income from 35% to 33%. USB will reflect that change in their investment information.

When asked about the number of pension recipients who still request their benefit in check form, Pat Carlson responded that there had been a few changes to direct deposit but not many. D. T. Wilson moved that all new pensioners must have direct deposit of funds. Seconded by F. Carpentier. All voted aye.

**Actuarial Report Follow Up:** No comments were made.

**Benefit Approvals:** None presented.

**New Defined Contribution Plan:** D.T. Wilson reported that he and the First Selectman had met with ICMA, the investment consultant who specializes in Non-Profit Plans, and are in the process of finalizing the new Defined Contribution Plan language. He stated that the plan selected is a 401A plan which is a plan that works for organizations such as a municipality. The plan presently provides for the employer to contribute 3% of wages annually and allows the

employee to elect a non-modifiable and irrevocable contribution from 0% to 20% at their option. However it should be made very clear to the participants that a better option would be for them to make any voluntary contributions that they wish to make in the Town's 457 plan or the BOE's 403b or 457 plans which are already in existence and have been available to them right along as there is far more flexibility regarding contributions. This plan language will show that the plan effective date is July 1, 2012. Upon a question by P. Perusse, Mr. Wilson responded that the Pension Commission will have no responsibility for administration or investment oversight regarding the new plan.

**Communications:** None received

**Future Agenda Items:** Members felt that there should be follow-up on any amendments to the existing plan that may be necessary related to eligibility and employee contributions in the 4<sup>th</sup> year of the plan for both union and non-union participants.

At 8:15 p.m. F. Carpentier made a motion to adjourn the meeting. Seconded by B. Barnes. All voted aye.

The next regular meeting of the Pension Commission will be on Tuesday, April 9, 2013 at 7:00 p.m.

Respectfully submitted,

Peggy Perusse  
Acting Secretary