

Newtown Pension Committee
Minutes of Special Meeting
August 8, 2016

The Pension Committee had a special meeting on Monday, August 8, 2016 in the lower meeting room at Town Hall South, 3 Main St., Newtown, CT. Mark Korotash called the meeting to order at 7:30 pm.

PRESENT: Mark Korotash, Charles Farfaglia, Patrick Burke, Ellen Whalen

ALSO PRESENT: Finance Director, Robert Tait, one member of the press and one member of the public.

Voter Comments: Mr. Pacuniuk suggested the committee look at other people. He proposed to the committee that he would be the consultant charging \$25,000 for the first year and \$12,000 for every year after. He stated that they would have an expense ratio which is beyond low. He also agreed the town needs a consultant like FIA.

ACCEPTANCE OF MINUTES:

Ellen Whalen moved to approve minutes of July 18th and July 25th. Patrick Burke seconded. All were in favor of the minutes without any changes or deletions.

CORRESPONDENCE: None.

APPROVAL OF BILLS: None

REPORTS OR REQUESTS FROM RETIREES: None

OLD BUSINESS:

A discussion took place on the review of the prospectuses and directed appointment of Wells Fargo as directed trustee and custodian. Mr. Burke asked each member of the committee for comments. Ms. Whalen stated that looking at expense ratios is one thing that needs to be reviewed. She would be a little hesitant about selling bond portfolios and transferring everything over as cash. She further stated that looking at an alternative is something they should consider. Mr. Korotash stated that some of the recommendations seem to violate the existing policy in that what they are proposing is more risky. Mr. Farfaglia also stated he did not agree with selling all the bonds and rebuying bonds recommended by FIA.

Further discussion continued on the investment policy. Ms. Whalen recommended that the existing policy stay in place but that it does need to be reviewed further taking into account the future of the bond portfolio and the transfer of assets to the new custodian.

Mr. Farfaglia made a motion stating that the committee should retain the current policy while fixing non-substantive errors and also a motion to recommend not selling the bond portfolio which is not following FIA advice. Mr. Burke seconded. All in favor.

Discussion also took place on the appointment of Wells Fargo either as directed trustee or custodian. Ms. Whalen said directed trustee seems to be the way to go, taking on fiduciary responsibility with the directed trustee. She stated they have the ability to customize reports and that preliminary estimate in terms of fees and Wells Fargo is going to allow us to combine market values and structure fees.

Mr. Burke made a motion to recommend Wells Fargo as directed trustee/custodian. It was seconded by Ms. Whalen. All in favor.

NEW BUSINESS:

At this time the advisory committee does not have anything new to report.

It was confirmed that the committee will attend the August 15, 2016 meeting with the Board of Selectman.

Mr. Korotash made a motion to adjourn at 8:07. Mr. Burke seconded. All in favor.