

PENSION COMMITTEE REGULAR MEETING  
JANUARY 26, 2012 TOWN HALL 9:00 A.M.

CALL TO ORDER: The meeting was called to order at 9:00 AM.

MEMBERS PRESENT: Bill Kirkpatrick, chair; George Warner and Ham Wilson, members; Kim Marcotte, Somers CFO; Tom Forma, Merrill Lynch

APPROVAL OF MINUTES OF REGULAR MEETING OF 10-27-11: The minutes were approved as written.

INVESTMENT REVIEW AND DECISIONS FOR THE TOWN FUND:

Overall performance of -1.07% for the fund was reasonable given the market volatility and results for 2011. To date in 2012, the fund has more than offset 2011. Tom Forma indicated that, due to systems changes, we need to replace NWQ Global Fund. After discussion and review of alternative managers, it was moved seconded, and unanimously passed to transfer the NWQ assets to EPOCH Capital Management. In addition, Tom will send the committee information on foreign and emerging market managers that we may consider buying.

Given the current market conditions, our Plan's cash needs and forecasts, the committee has established the following asset allocation guidelines: 20% cash and fixed income, 25% growth equities, 25% value equities, 20% foreign equities, and 10% real estate exposure in REITS. In moving toward this allocation, we will continue to move \$10,000 per month to AEW Capital Management Natixis and allocate 10,000 per month to EPOCH. A motion was made, seconded, and unanimously passed to take these two actions.

INVESTMENT REVIEW AND DECISIONS FOR THE VOLUNTEER FIRE FUND:

Given its investment guidelines, this fund's -2.0% performance for 2011 is in line with its benchmark. To date in 2012, the fund is up 4.5%. The fund has limited cash, but expected cash inflow should approximate expected payouts. The Committee took no investment actions.

CONFORMING THE VOLUNTEER FIRE PLAN WITH THE TOWN PLAN:

Lisa Pellegrini, First Selectman, joined the meeting at this time. After discussion, conforming these plans will be recommended to the Board of Selectmen. The Volunteer Plan must be reviewed relative to legal regulations and restrictions, after which a list of requirements and changes will be compiled for the conformance to the Town Plan. Bruce Barth will be contacted by the Selectman's office to start the process.

STATUS OF PENSION FUND FOR SCHOOL NON-CERTIFIED STAFF

Bill brought the committee up to date on this plan, which has recently been reorganized and needs oversight by the town. Payouts are currently greater than inflows, with 26 current retirees and an aging group of participants. Pending a request from the Board of Education and OK from Bruce Barth that our committee could legally be the overseer, we voted to get involved.

ADJOURNMENT: With no other business, this meeting was adjourned at 10:42 AM.

Respectfully submitted,

Hamline C. Wilson  
Clerk