

PENSION COMMITTEE
REGULAR MEETING
JULY 28, 2016
TOWN HALL 9:00 A.M.

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

ATTENDEES: Bill Kirkpatrick, chair; John Mailhot and Ham Wilson, members; Mike Marinaccio, Somers CFO; Brian Wissinger, Somers Accountant, Tom Forma, Morgan Stanley.

APPROVAL OF MINUTES OF REGULAR MEETING OF 4-28-16:

Minutes were approved as written.

PAYMENT SCHEDULE FOR MORGAN STANLEY FEES:

Fees due are deducted from the accounts on the second week of each calendar quarter.

DATES FOR ACTUARIAL EVALUATION AND TOWN CONTRIBUTION:

Mike is expecting the actuarial valuation and other data from H & H by the end of August. He also described the GASB valuations and other required regulations and disclosures now required for the Town's annual filings. Somers Contribution for fiscal 2017 to the two pension funds are as follows: Town Fund: \$114,281; Vol Firefighter's Fund: \$2,380.

CASH IN TOWN FUND, CD HOLDINGS, AND CASH IN MORGAN STANLEY

The CD which matures in September will again be rolled over for another three months. In April, the cash accumulated from employee contributions in the Town Fund was transferred to Morgan Stanley. Future cash from such contributions will be used for benefit payments. Morgan Stanley remits the cash from the Firefighter's Fund to the town for benefit payments.

INVESTMENT REVIEW AND DECISIONS FOR THE TOWN FUND

Tom Forma reviewed the Town Fund. For the fiscal year ended June 30, 2016, overall performance exceeded its benchmark by 1.04%.

Morgan Stanley will not provide due diligence on AEW, our real estate manager. As a consequence, it was moved seconded, and unanimously voted to reduce our REIT holdings to 5% of portfolio assets and use Principal Global Investors to manage them. It was also moved seconded and voted unanimously to invest excess proceeds from the sale of AEW as follows: \$20,000 to be added to Spectrum Preferred and the balance in a three-month CD. This should occur as soon as possible.

Tom will research the questions of timing and mechanics of automatic portfolio rebalancing at Morgan Stanley and report back to the committee at our next meeting.

INVESTMENT REVIEW AND DECISIONS FOR THE FIREFIGHTER'S FUND

As the fund is fully invested, performing as expected, and benefit payments are adequately covered by cash flow from the fund, no actions or decisions are called for at this time.

ADJOURNMENT: The meeting was adjourned at 11:01 AM.

Respectfully submitted,

Hamline C. Wilson, Clerk