

PENSION COMMITTEE
REGULAR MEETING
APRIL 27, 2017
TOWN HALL 9:00 A.M.

CALL TO ORDER: The meeting was called to order at 9:10 AM

ATTENDEES: Bill Kirkpatrick, chair; John Mailhot, member; Mike Marinaccio, Somers CFO; Brian Wissinger, Somers Accountant, Tom Forma, Kevin Nichols, Morgan Stanley; Absent: Ham Wilson, member

APPROVAL OF MINUTES OF REGULAR MEETING OF 1-28-17:

Minutes of 1-28-17 were approved as written.

STATUS OF TOWN CONTRIBUTIONS AND CASH POSITION OF TOWN:

The Town Fund now contains \$47,379 in cash. Monthly employee contributions continue to exceed monthly benefit payments and will probably continue to do so during the coming year.

The town will fully fund this year's ADEC (Actuarially Determined Employer Contribution) of approximately \$114,000.

Mike Marinaccio reported that the town received an AA2 bond rating. Our strong and stable pension funding was a favorable factor in this high rating.

INVESTMENT REVIEW AND DECISIONS FOR THE TOWN FUND

Tom Forma distributed a chart of pension returns for Connecticut towns for the last three years. Somers Volunteer Fire Department and Town Fund were #1 and #2 on the list with cumulative 3 year returns of 36.42% and 29.45% respectively.

Kevin Nichols, acting on a request from last quarter's meeting, reported that at present about 4% of our Town holdings are in the infrastructure sector. He will present one Infrastructure Fund for consideration at our next meeting.

Kevin Nichols reported that the Town Fund is performing in line with expectations, up 5.21% for the year as of 4/19/17. A motion was made, seconded, and passed unanimously to invest this year's town contribution of \$114,000 proportionately among managers and CD's (\$91,000 of managers and \$23,000 to CD's) to maintain the present balance of investments in the Town Fund.

INVESTMENT REVIEW AND DECISIONS FOR THE FIREFIGHTER'S FUND

Brian Wissinger reported that, for this coming fiscal year, benefit payments will exceed contributions from dividends from the Firefighters Fund. To prepare for the time when funds beyond dividends are needed for benefits, a motion was made seconded, and unanimously passed that when directed to raise cash for benefits from the Firefighters Fund, Morgan Stanley sell holdings proportionately from the Fund.

Despite this impending need, Mike and Brian cited actuarial reasons that the Fund was fully capable of meeting obligations into the future.

ADJOURNMENT: The meeting was adjourned at 10:20.

Respectfully submitted,

William A. Kirkpatrick
Acting Clerk