

PENSION COMMITTEE
REGULAR MEETING
JANUARY 25, 2018
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; Bud Knorr, First Selectman; Mike Marinaccio, Somers CFO; Brian Wissinger, Somers Accountant; Steven Lemanski, enrolled actuary from Hooker and Holcombe; Tom Forma and Kevin Nichols, Morgan Stanley; Linda LaCasse, visitor/observer.

APPROVAL OF MINUTES OF REGULAR MEETING OF OCTOBER 26, 2017:

The minutes were approved as written.

REPORT FROM HOOKER AND HOLCOMBE:

Mr Lemanski distributed a summary report on the July 1, 2017 actuarial evaluation. As of that date, the Town Plan was 105.5% funded and is in excellent shape. He reviewed the various assumptions used in the calculations and provided the employer contributions for the next two fiscal years: \$113,680 fiscal 18-19; \$118,227 for fiscal 19-20. Mike Marinaccio stated that since the plan is over 100% funded, and in light of the State budget cuts, this year's (fiscal 17-18) contribution of \$118,852 will not be made by the Town. He assured the Committee that next year's (18-19) contribution will be in the budget. Mr. Lemanski then distributed the detailed actuarial report containing all the back-up data.

REPORT FROM MIKE MARINACCIO:

Mike reported that even though this year's Town contributions to the plan will not be made, approximately \$100,000 of employee contributions will be made.

INVESTMENT REVIEW AND DECISIONS FOR THE TOWN FUND:

Morgan Stanley reported that the economy is performing well, and our funds are too, considering our investment style. In light of rising interest rates and a flattening yield curve, our preferred stock holdings are underperforming.

It was moved, seconded, and passed unanimously to reduce our holdings by \$50,000 now and invest the proceeds in a three-month CD. Should the underperformance continue, \$50,000 will be sold and reallocated to CD's for every 1.00% drop. Morgan Stanley will monitor this monthly and take action if appropriate.

Our real estate holdings were also discussed and no action thought necessary at this time. The possible infrastructure investment was deferred.

INVESTMENT REVIEW AND DECISIONS FOR THE FIREFIGHTER'S FUND

The plan's assets are performing as expected. It was moved, seconded, and passed unanimously to take \$6,000 from the soon-to-mature \$74,000 CD to pay benefits, and to reinvest the remainder in a three-month CD.

NEW BUSINESS: There was no new business

ADJOURNMENT: The meeting was adjourned at 10.22AM.

Respectfully submitted,

Hamline C. Wilson, Clerk