

PENSION COMMITTEE
REGULAR MEETING
JULY 26, 2018
TOWN HALL 9:00 A.M.

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

ATTENDEES: Ham Wilson, acting chair, John Mailhot member; Bud Knorr, First selectman: Mike Marinaccio, Somers CFO; Brian Wissinger, Somers Accountant; Kevin Nichols, Morgan Stanley. ABSENT: Bill Kirkpatrick, chair.

APPROVAL OF MINUTES OF REGULAR MEETING OF JANUARY 25, 2018 AND SPECIAL MEETING OF APRIL 25, 2018:

January 25, 2018 minutes were approved as written and the April 25, 2018 minutes were approved as amended.

REPORT FROM CFO MIKE MARINACCIO:

Of the \$118,850 actuarial recommendation for the Town contribution for fiscal 2018 to the Town Fund, \$95,000, or 80%, was contributed. The full amount for the Volunteer Fire Fund, \$5,215, was contributed. For fiscal 2019, the recommended amounts of \$113,680 and \$5,215 are expected to be made later in the year.

Cash on hand is currently \$31,004 for the Town Fund and \$10,424 for the Fire Fund. These amounts will cover benefit payments for approximately six months each. Mike distributed charts and financial statements for both funds.

INVESTMENT REVIEW AND DECISIONS FOR THE TOWN FUND

Investment performance for fiscal 2018 was 5.84% vs. our benchmark of 9.08%. The market was led by small cap stocks, highly leveraged companies and those issues most shorted. The FANG stocks contributed 90% of the S&P 500's performance for the year. All of this is contrary to our investment philosophy. We discussed the reasons not to adopt such an aggressive posture.

Kevin recommended a manager change: the purchase of Capital Group World Dividend to replace all or part of Mainstay Epoch. The focus would be more on dividend growth as opposed to simply high dividends. Since there are no problems with Mainstay, we deferred any action until our next meeting.

A motion was made, seconded, and unanimously passed to roll the Merchant's Bank CD ahead for three months. The two CD's maturing in September will also be rolled forward in the absence of alternative choices. Kevin will be in touch with Bill in September.

INVESTMENT REVIEW AND DECISIONS FOR THE FIREFIGHTER'S FUND:

This fund returned 4.95% for the fiscal year, slightly behind the town, due to no preferred stocks and different CD weighting.

NEW BUSINESS:

As soon as the Board of Education monies arrive at Morgan Stanley, our management fees will be reduced from 85 basis points to 80 points.

ADJOURNMENT: The meeting was adjourned at 10:04 AM.

Respectfully submitted,

Hamline C. Wilson
Clerk