

**Pension Board
Minutes
August 14, 2013**

CALL TO ORDER

Chairman Michael Charland called the Pension Board meeting to order at 7:35 p.m. at the Town Hall, Trumbull, Connecticut.

Members present and absent were as follows:

PRESENT

Chairman Michael Charland
James Lavin
John Ponzio
Maria Pires
Michael Knight
Donna Pellitteri
James Daly

ABSENT

Also present: Chris Kachmar, FIA; Edward V. Walsh, III, Esq.

OVERPAYMENTS UPDATE – Edward V. Walsh, III, Esq.

Attorney Walsh requested the Board enter into Executive Session to discuss legal strategy regarding the overpayment of pension funds.

Mr. Lavin moved, seconded by Mrs. Pellitteri, that the Board enter into Executive Session.

Vote: 7-0-0 motion carries

The Board entered into Executive Session at 7:40.

Mr. Ponzio moved, seconded by Mr. Lavin, that the Board come out of Executive Session.

Vote: 7-0-0 motion carries

The Board came out of Executive Session at 7:55.

Mr. Lavin moved, seconded by Mr. Knight, that the Board should adopt a policy on recouping overpayments to retirees.

Vote: 7-0-0 motion carries

Mr. Lavin moved, seconded by Mr. Ponzio, that the Pension Board is enacting a policy in how to recoup payments to retirees and their beneficiaries at a percentage of 75% of their monthly retirement allowance. This policy is subject to the discretion of the Retirement Board on any future cases. This policy does not preclude the Board from negotiating a settlement.

Vote: 7-0-0 motion carries

Mr. Knight asked how the current overpaid individuals fit into this scenario, and was advised by Attorney Walsh that several of these individuals entered separate agreements prior to this policy.

RECEIVED FOR RECORD
VOLUME _____ PAGE _____
2013 AUG 20 A 11:30
TRUMBULL LAND RECORDS
ATTEST
TOWN CLERK

Mr. Lavin indicated that once we adopt a policy, the Pension Administrator will have a tool whenever this type of action occurs. Mr. Charland noted that those who question why we have separate agreements will be advised that they did not respond to our repeated requests for payment. In response to this, Mr. Ponzio indicated that the Board reserves the right to negotiate settlements on a case by case basis at their discretion.

The Board decided that four (4) letters should be sent out this month.

INVESTMENT UPDATE – 2nd QUARTER – Chris Kachmar FIA

- Interesting year in the capital markets; things have been pretty good, as we will see in the Domestic Equity market.
- International markets have been a little more mixed; fixed income markets have been a bit challenged as well.
- The global macro-economic picture is a mixed one; the US economy is in fairly decent shape, growing modestly.
- Contributions from the private sector are running at about 31/2%.
- The housing market remains decent.
- Europe is a mixed bag; UK is recently stronger; large sections of Europe have little to no growth.
- Emerging markets – China appeared to have a healthy growth.
- International markets not as robust as the US Equity.
- Small cap are doing better than large cap; style outcomes were mixed; growth style held up better.
- International markets uniformly negative performers; growth prospects more mixed; Europe has not recovered to the degree the US has.
- The value style did better than growth in international; in the emerging markets the growth style did better. A general trend overseas is the bigger large cap companies did better the last quarter.
- Fixed Income saw higher base interest rates; higher spreads.
- Total Plan loss for quarter \$62,483 (-.3) blended (-.4)
- YTD 4.9 vs (.01)
- Managers have managed to capture 70% of the upside over the last 5 years, and 57% of the downside over the last 5 years. This is acceptable for what we are trying to do with the pension plan return. They are not aggressive investors.
- Pimco – had a very difficult quarter. One of the most difficult in several years; got it wrong on duration, etc. and products that didn't work; usually get it right over the long run.
- Mr. Ponzio asked if we were being contradictory about fixed income and saying to maintain the same profile.
- Mr. Charland asked if Mr. Kachmar still liked Montag and Caldwell; they have performed terribly since we put them into the portfolio. Mr. Kachmar indicated that despite this the Plan has not lost money.
- Mr. Kachmar believes that the basic allocation is okay. The general mix we have now is where we should be.
- Inflation protection has been a real challenge for TIPS and commodities. Feels that interest rate sensitivity should be removed and TIPS should be made shorter.
- Recommendation:
 - Keep the basic \$1,000,000 in the inflation bucket
 - Reconfigure the Vanguard strategy to short term \$321,379
 - Liquidate the PIMCO exposure 0
 - Increase Credit Suisse \$321,000

Mr. Charland asked if anyone had an issue with the total portfolio allocation or wanted to discuss Mr. Kachmar's recommendations. Mr. Lavin expressed that he was in favor of the recommendations. Mr. Knight asked if we should switch some of our Domestic to International to balance portfolio. Mr. Kachmar did not recommend investing more in International today and recommended leaving funds in Domestic Equity for a bit longer.

Mr. Knight moved, seconded by Mrs. Pires, to accept the reallocations indicated on the Cash flow worksheet supplied by Mr. Kachmar.

Vote: 7-0-0 motion carries

Mr. Kachmar went on to discuss the rest of the year:

- Stimulus is not going anywhere.
- Valuations are still reasonably well behaved
- Corporate earnings are pretty solid.
- Good private sector contribution to GDP.
- Fixed Income securities are now back to fair valuation.
- The second half of the year can continue to be a constructive one.
- Feels that we will have a good calendar year.

Mr. Ponzio asked if there was any new information regarding the Global Bond Fund report that Mr. Kachmar had prepared for him. Mr. Kachmar said that the two managers being considered are Legg Mason and Templeton Funding; however, he indicated that he didn't think that we needed to do anything yet.

Mr. Ponzio indicated that he deposited \$1,100,000 into the Town Pension Fund and \$440,000 into the Police Pension Fund. Since he is making 25 bps on the funds, he asked if it would be better to make the payments annually rather than quarterly. Mr. Lavin indicated that this would be a question that we should ask the Actuaries. Mr. Charland went on to add that it would be a policy change and that would not be something the Pension Board would address.

Approval of Minutes – May 21, 2013

Mr. Knight moved, seconded by Mr. Ponzio, to accept the minutes of the May 21, 2013 meeting as presented.

Vote: 6-0-1 (abstained: Daly)

Approval of Pension Benefits

Mr. Lavin moved, seconded by Mr. Ponzio, to approve the pension benefits as presented to the Board on the Pension Board Approvals Report.

Vote: 7-0-0 motion carries

Approval of Contribution Payouts

Mr. Lavin moved, seconded by Mr. Ponzio, to approve the amended contribution payouts (Sorenson: \$4,111.36), as presented to the Board on the Pension Board Approvals Report.

Vote: 7-0-0 motion carries

ADJOURNMENT

There being no further business to discuss, the Pension Board adjourned by unanimous consent at 9:30 p.m.

Respectfully submitted,



Phyllis Collier - Pension Board Clerk

Pension Board Approvals - August 14, 2013

Name	Street Address	Town, State, Zip	Retirement Date	Payment Date	Monthly Amount	Termination Date	Payout Date	Contributions Plus Interest
Brand, Judith	32 Doe Hollow	Trumbull, CT	6/21/2013	7/1/2013	\$449.07			
Chisarik, Judith B.	631 Booth Hill Road	Trumbull, CT	6/30/2013	7/1/2013	\$1,093.37			
D'Agostino, Carol	361 Summerfield Gardens	Shelton, CT 06484	6/30/2013	7/1/2013	\$2,159.42			
Hen, Patricia	1100 Melville Avenue	Fairfield, CT 06825	6/30/2013	7/1/2013	\$191.14			
Hliva, Barbara	56 Summerhill Road	Wallingford, CT	QDRO	7/1/2013	\$1,325.68			
Kilar, Ben	258 Waverly Road	Shelton, CT	4/12/2013	5/1/2013	\$230.74			
Marini, Teresa	16 High Meadow Road	Trumbull, CT	6/20/2013	7/1/2013	\$906.94			
Petrow, Mary Beth	28 Briarcroft Avenue	Trumbull, CT	6/3/2013	7/1/2013	\$2,548.10			
Sanzone, Irene	521B Iroquios Lane	Stratford, CT	7/1/2013	7/1/2013	\$408.69			
Tubridy, Joan	108 Wendy Road	Trumbull, CT	5/3/2013	6/1/2013	\$366.81			
Esteves, Elise Stella	24 Williamsburg Drive	Monroe, CT 06468				8/25/2011	7/30/2013	\$1,529.59
Rose, John	100 Geraldine Circle	Trumbull, CT 06611				11/23/2010	7/29/2013	\$9,753.35
Sorenson, Valerie	75 Hemlock Street	Stratford, CT 06615				8/3/2012	7/30/2013	\$1,529.59