

**Revised
Pension Board
Minutes
February 3, 2015**

CALL TO ORDER

Chairman Jim Lavin called the Pension Board meeting to order at 6:32 p.m. at the Town Hall, Trumbull, Connecticut.

Members present were as follows:

PRESENT

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

ABSENT

James Meisner

Also present: Chris Kachmar, FIA

Investment Update – 4rd Quarter – Chris Kachmar

Mr. Kachmar presented a short overview of 2014:

- US was the strongest of the markets, with Europe and Japan growing tepidly. China is growing at 6.5% not the 9-10% as a few years ago.
- Economy a little unstable and inconsistent.
- Major central banks around the world are in diverging modes as well.
- Stimulus is being withheld in some countries whereas others cannot afford to do that.
- S&P hitting new highs; small and midcap were up; international equities were down; fixed income market rates have been well behaved.
- Municipalities as a group did better; 4-5% increase in 2014.
- Strength of the dollar got stronger as the year went on.

He then went on to present the overview of the 4th Quarter:

- International equities did better than US equities.
- Oil prices came down.
- Energy had a difficult quarter, down about 11%.
- Rates have come down over the last 5 years and the US Treasury Yield Curve has flattened out.

Mr. Knight asked if we should explore Pension Obligation Bonds. Mr. Ponzio indicated the impact on the Town's Bond Rating would be too intense; even with all the debt we carry, our debt position is less than 10% of our budget.

Mr. Kachmar noted that Inflation Protection portfolio has not done very well. He went on to add that it is a modest percentage and with the way it is set up, he advised that we keep it. International Equity is also down; however, he recommends making no changes.

Mr. Ponzio moved, seconded by Mr. Knight, to reallocate the 5% Inflation Protection portion of the portfolio, increasing the Fixed Income allocation from 3.0% to 32.5%; the Domestic Equity allocation from 45.0% to 46.25%, and the International Equity allocation from 20.0% to 21.25%.

Vote: 6-0-0

Mr. Ponzio indicated to the Board that he was no longer funding the Pension at the beginning of the quarter, but funding a few days ahead of disbursements. On the Town side, he can get 30 points on his short term money whereas he was getting .001 in the Money Market Funds in the Pension Plan.

Mr. Knight requested that Mr. Kachmar add the following information to the Town of Trumbull Net Contributions Annual Rate Quarterly Report:

Normal Cost – Employee Contributions = Net Normal Cost

Investment Policy

Mr. Lavin asked if the Board should incorporate information included on the Fiduciary Governance Calendar into our Investment Policy. Mr. Kachmar indicated he would look into the appropriate wording. The Board agreed to review the existing document and submit comments and suggestions to Mr. Lavin who will incorporate the changes into a draft that will be presented to the Board at the next meeting.

Approval of Pension Benefits and Contribution Distributions

Approval of Pension Benefits:

Annicelle, Linda	\$2,409.95	1/1/2105
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Approval of Contribution Distributions:

O'Neil, Kathryn	\$3,406.91	10/31/2014
Southard, Ryan	\$ 768.67	10/31/2014

Mr. Ponzio moved, seconded by Mr. Daly, to approve the Pension Benefits and the Contribution Distributions, as presented.

Vote: 6-0-0

Overpaid Pension Update

The Board reviewed the update provided by Attorney Nicola. The following was noted:

- There has been no update on the Board of Education retirement problem that is pending.
- There is a maximum dollar amount that can be taken into Small Claims Court.
- Ann Marie Faggella requested to pay \$50 per month towards the agreed upon \$4,400 lump payment.

Ms. Pires moved, seconded by Mr. Ponzio, to give Attorney Nicola authorization to pursue the maximum allowable amount in Small Claims Court, waiving the remainder due, in order to settle the Teasley matter.

Vote: 6-0-0

Mr. Ponzio moved, seconded by Mr. Daly, to have Attorney Nicola pursue the full amount of \$8,800 in the matter of Ann Marie Faggella.

Vote: 6-0-0

Approval of Minutes

Mr. Ponzio moved, seconded by Ms. Pires, to amend the minutes of the November 25, 2014 by changing laving to Lavin on page 3, and to approve the amended minutes.

Vote: 5-0-1 (abstained: Daly)

Mr. Daly moved, seconded by Ms. Pellitteri

Vote: 5-0-1 (abstained: Ponzio)

By unanimous consent, the meeting adjourned at 8:08 pm.

Respectfully submitted,

Phyllis C. Collier
Clerk -- Pension Board