

**TOWN OF TRUMBULL  
PENSION BOARD  
SPECIAL MEETING  
DECEMBER 13, 2016  
MINUTES**

**CALL TO ORDER**

Chairman Jim Lavin called the Pension Board meeting to order at 7:00 p.m. at the Town Hall, Trumbull, Connecticut.

**Members present were as follows:**

**PRESENT**

James Lavin  
Donna Pellitteri  
Maria Pires  
Anthony Musto  
James Daly  
James Meisner  
Patrick Clark

**ABSENT**

**Also present:** Brad Fisher, BPS&M; Gina Acri, Wells Fargo; Tricia Brady, Beirne Wealth Consulting and Jim Betzig, Beirne Wealth Consulting

By unanimous consent, the Board agreed to take the Agenda items out of order.

**Beirne Wealth Consulting Final Proposal**

Mr. Betzig proposed the following for the Town of Trumbull Retirement Plan:

- **Liquidate BlackRock Strategic Income (OppBSIKX)**
- **Hire ACA for \$3 million, allocations listed below:**
  - Boyd Watterson - \$1 million
  - Eastbay - \$500K
  - DCM Partners - \$750K
  - Coherence - \$750K
- **Reduce MainStay Large Cap Growth(MLAIX) by \$750K**
- **Reduce Diamond Hill Large Cap(DHLYX) by \$750K**
- **Add Vanguard Small-Cap Index(VSMAX) - \$750K**
- **Add Vanguard Mid-Cap Index(VIMAX) - \$750K**
- **Add DFA Inflation-Protected Securities(DIPSX) - \$500K**

Mr. Daly moved, seconded by Mr. Meisner, to approve the portfolio changes discussed by Beirne Wealth Consulting.

Vote: 7-0-0

### **Actuarial Valuation 2016 – BPS&M**

Mr. Fisher submitted to the Pension Board the results of the recommendations made at the Pension Board meeting in April. At that time, the Board asked to see what the results would look like so they could make a decision.

He outlined the following recommendations:

- Fund 100% of the accrued liability
- Amortize 100% of the accrued liability using a closed amortization period
- Use the entry-age level % of pay to spread the cost of the plan over the employees' working lifetime; more conservative method; consistent with what is being used for the GASB required financial reporting.

At the Board's request, he prepared a comparison showing what would occur if the Board dropped the discount rate from 7.5% to 7%. Future earnings would then be lower, which would add to the cost to fund the plan.

The Valuation results indicated the ARC with no recommended changes made to the Plan would be \$4,451,900. If all recommendations are made the ARC would be \$5,048,000, an increase of \$805,000 over last year's budgeted amount.

Mr. Meisner moved, seconded by Mr. Daly, to approve the changes suggested by BPS&M bringing the ARC to \$5.048 million, an increase of \$805,000 over last year's budgeted amount.

Vote: 7-0-0

### **Approval of 2017 Meeting Dates**

Mr. Clark moved, seconded by Mr. Daly, to approve the following meeting dates for 2017:

- January 24, 2017
- April 25, 2017
- July 25, 2017
- October 24, 2017

Vote: 7-0-0

### **Approval of Minutes – November 29, 2016**

The following changes need to be incorporated into last month's minutes:

#### **Investment Update – 3rd Quarter – Jim Betzig**

- The election (insert **Presidential**) surprised everyone in the market.  
**Revised:** The Presidential election surprised everyone in the market.
- The 10-year bond has moved from 1.7 to 2.3, 60-basis points in the last three weeks **indicating.** (delete indicating ).  
**Revised:** The 10-year bond has moved from 1.7 to 2.3, 60-basis points in the last three weeks.
- The **Feds are meeting over the next 2 weeks** (delete Feds are meeting over the next 2 weeks) (insert **Federal Reserve will meet in 2 weeks**) and will probably raise rates 25% and it is already built into the market.  
**Revised:** The Federal Reserve will meet in 2 weeks and will probably raise rates 25% and it is already built into the market.

- In terms of stocks, International has been hit hard and if **he** (delete he and add **the President Elect**) imposes tariffs, countries will retaliate, which we think that would be a bad economic move.  
**Revised:** In terms of stocks, International has been hit hard and if the President Elect imposes tariffs, countries will retaliate, which we think that would be a bad economic move.
- The Total Plan value as of 9/30 was \$29,822,309; YTD the Fund was up 5.97%; the blended benchmark is up 7.12%; therefore, we **were under the benchmark 1.15%** (delete were under the benchmark 1.15% and add **underperformed the benchmark by 1.15%**).  
**Revised:** The Total Plan value as of 9/30 was \$29,822,309; YTD the Fund was up 5.97%; the blended benchmark is up 7.12%; therefore, we underperformed the benchmark by 1.15%.
- Fixed income is **t** (delete t) .37% and in a rising interest environment, fixed income will be negative.  
**Revised:** Fixed income is .37% and in a rising interest environment, fixed income will be negative.

Mr. Daly moved, seconded by Ms. Pires, to approve the November 29, 2016 minutes, as amended.

Vote: 5-0-2 (abstained: Meisner and Musto)

**Adjournment**

By unanimous consent, the meeting adjourned at 8:20 pm.

Respectfully submitted

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Phyllis C. Collier – Pension Board Clerk