

Town of Trumbull
Pension Board
Tuesday, March 8, 2011
MINUTES

Called to Order: The Chairman, Mr. Charlan called the Pension Board meeting to order at 7:32 p.m.

Members Present: Ms. Pires, Mr. Schietinger, Mr. Ponzio and Ms. Pellitteri.

Also Present: Mr. Dan Nelson, Chief of Staff and Chris Kachmar, FIA.

The Chair moved the approval of the November 16, 2010 meeting minutes until after the review of the Executive Summary, the board was in agreement.

Mr. Ponzio requested a hard copy of the Executive Summary be sent out in advance of the meeting. Mr. Kachmar agreed.

Mr. Kachmar reviewed the Executive Summary with board:

- The Employee Pension Plan had a solid calendar year and was up 14%, in the top 5. The one exception was Montag as it continues to struggle; discussion will follow on this issue.
- Capital Markets – the economy did get stronger
- GPD's solidified
- Corporate profits remain good.

There were two areas which continue to be a concern; they are the labor markets and the housing market. The basic economy is strengthening and there is still quite a bit of government stimulus in the system. A second year of recovery has been completed and was stronger than what most people had anticipated.

Mr. Kachmar reported that small caps outperformed their mid and large cap counterparts. International returns were impeded and lagged their domestic counterparts.

The EAFE Index was not quite at the pace of the US markets, the emerging market equities continued to perform solidly. There is a broad sense of world recovery; the emerging world is strong. With regard to the Fixed Income rates did move up and in a broad sense we had the first down quarter. In a basic sense the allocation strategy is about where they would like it to be. The board will come back to this later in the meeting to discuss Montag.

In response to the Chair, Mr. Kachmar confirmed that 20% allocation is sufficient.

Discussion ensued.

In response to Mr. Ponzio, Mr. Kachmar indicated that the 70/30% mix is about right with regard to the equity fix; if the interest rate trend continues it could be a difficult environment for the two bond managers. Mr. Kachmar will bring information to the next meeting.

In response to Mr. Nelson, Mr. Kachmar stated with regard commodity stocks structurally they would not need to go beyond 5%.

The board discussed and reviewed with Mr. Kachmar Montag's performance challenges. Montag is used as a very conservative growth manager; incremental growth is usually seen; it adds value vs. benchmark over long period of time. Discussion continued.

Mr. Kachmar's recommendation is to give Montag another quarter; their numbers are expected to change and to look more favorable as the market stabilizes. The board discussed changing the allocations. Discussion ensued.

Moved by Mr. Ponzio, seconded by Ms. Pires to reallocation of the Town Of Trumbull Pension Plan assets as follows:

- Vanguard 25%
 - Montag 5%
 - Mainstay 5%
 - Diamond Hill 5%
 - Leaving 5% in the Boston Trust Small Cap Fund – (A total of 45%)
- VOTE: Motion carried unanimously.

Approval of Minutes:

Moved by Mr. Schietinger, seconded by Ms. Pellitteri to approve the November 16, 2010 meeting minutes as presented.

VOTE: Motion carried unanimously.

Wilmington Trust Update (Ed Walsh):

At the last meeting the Pension Board approved sending the letter; the letter is to be sent on Friday, March 11, 2011. Ms. Pires will follow up with Attorney Walsh with regard to confirmation that the letter had been sent out by 03/11/2011 and report to the board via e-mail only if the letter does not go out.

Approval of Pension Benefits:

By unanimous consent the Pension Board amended the Raymond G. Baldwin benefit to read as \$1,179.86.

Moved by Ms. Pellitteri, seconded by Mr. Ponzio to approve the amended Pension Benefits and Withdrawal of Funds as follows:

Pension Benefits

Raymond G. Baldwin	eff. 12/01/2101	\$1,179.86
Anna Laukaitis	eff. 01/01/2011	\$1,195.19
Marie Wnek	eff. 12/01/2010	\$686.27

Withdrawal of Funds

Raymond Fosco	terminated 12/01/2010	\$13,791.55
Lester Gorham	terminated 11/19/2010	\$7,805.49
Terry Gorham	terminated 06/23/2010	\$1,166.17

VOTE: Motion as amended carried unanimously.

Approval of Annual Letter:

Moved by Ms. Pires, seconded by Mr. Schietinger to accept the Annual Letter and forward to the First Selectman and the Trumbull Town Council.

The board agreed to amend page 3 of the annual letter with regard to the increased contributions to read as, "3% to 5%.

VOTE: Motion to accept the Annual Letter as amended carried unanimously.

New Business:

- Discussion on establishing a defined Contribution Plan (457 Plan) for the Town.

The board discussed the possibility of establishing a defined contribution plan for the Town. The Town of Trumbull Charter reads that the Town Council has final approval based upon the Pension Board's recommendation. A RFP would be necessary; negotiation with unions would be necessary. The board discussed the possibility of elected and appointed employees no longer being eligible for a pension; a resolution approved by the town Council would be necessary. The board discussed the possibility of starting simply with a soft freeze with new employees and elected and appointed officials. There is one union this year up for negotiation and three in the following year.

Discussion ensued.

Based upon the board's discussion it was agreed that the 5% interest rate paid out to non-vested employees should be reconsidered, a letter to the bargaining unit(s) would be necessary. The board agreed to look at the interest rate being tied to the CPI and prime rate.

There being no further business to discuss, upon motion made by Mr. Schietinger, seconded by Mr. Ponzio the Trumbull Pension Board adjourned by unanimous consent at 9:07 p.m.

Respectfully Submitted,

Margaret D. Mastroni, Clerk