

**Town of Newtown
Pension Committee Meeting
July 17, 2017, 7:30pm
Town Hall South, 3 Main Street, Lower Meeting Room**

THE FOLLOWING MINUTES ARE SUBJECT TO APPROVAL BY THE PENSION COMMITTEE

1. Meeting called to order by Ellen Whalen at 7:35pm.

Committee Members in attendance: Patrick Burke, Charles Farfaglia, Scott Schwartz, Paula Wickman and Ellen Whalen.
Also in Attendance: Mr. Walter Pachniuk, 1 Academy Lane, Newtown

2. Approval – Minutes of June 21, 2017 Special Meeting.

Approval of Minutes of Special Meeting postponed until August 21st.

3. Correspondence

See Voter Comment

4. Retirement/Expense Payment Approval

Retirements - None

Expenses – A motion was made by Patrick Burke, to approve the TR Paul Administrative Expenses, totaling \$7,208., motion seconded by Charles Farfaglia, all in favor.

5. Old Business

Legislative Council (LC) Ordinance Committee Draft for new Pension/OPEB Ordinance reviewed by Pension Committee (PC) Members. PC comments incorporated in new Draft. Ellen Whalen requested PC to do final review and return any additional comments by July 21st so final Draft can be forwarded to LC for review and action.

Trust Documentation - Pension/OPEB Trust Agreement update review pending. Further update, August meeting.

6. New Business

Committee Openings - Notification of two Pension Committee Member openings continues to be publicized in The Newtown Bee. Committee Chair/Vice Chairman – Motion was made by Charles Farfaglia to elect Ellen Whalen and Patrick Burke as Chairman and Vice Chairman respectively for new Plan Year, seconded by Scott Schwartz, all in favor.

Trust Asset Allocation - The Pension/OPEB asset allocation was briefly discussed by Patrick Burke. Mr. Burke noted we await a Proposal from the Bronzo Group re their recommendation for investment of cash realized from recent Bond liquidations in the current portfolios and their recommendation for upcoming year. Proposal will be received within the week, it will be reviewed by PC at Special Meeting. PC/ Bob Tait will contact FIA to consult with them re possible rebalancing of Pension/OPEB portfolios.

Trust Asset Reports and FIA June Flash Report – Patrick Burke reviewed the June 30th Trust Reports and the FIA June Flash Report (att.) noting the funds have performed well.

Plan Year End – Ellen Whalen advised Committee Trust Year End Reporting targeted to be finalized by month-end if not sooner. This allows Finance Director, Actuary and Auditors to begin required reporting for the Trusts and Benefit Plans.

7. Voter Comment

Mr. Walter Pachniuk, 1 Academy Lane, Newtown was present at the meeting. Mr. Pachniuk requested correction of his name in prior PC Minutes, provided comments on management of the Trusts' Bond portfolios by the Bronzo Group and the associated fees. He also requested opportunity to act as Advisor for a portion of Trust funds. See attached letter.

8. Date of Next Meeting: August 21, 2017

9. Adjournment

With no further business, motion was made by Scott Schwartz to adjourn meeting at 8:52pm, seconded by Patrick Burke, all in favor.

Respectfully submitted, Patrice Fahey, Clerk

July 15, 2017

TO: Newtown CT Pension Committee

FROM: Walter Pachniuk
1 Academy Lane, Newtown, CT 06470

AdvisersTrust, LLC
Walter Pachniuk, CFP
30 Main Street, Newtown, CT 06470

RE: June 21 Special (1) Meeting
(2) Minutes of June 21 Meeting
(3) Request to Formally Present alternative Money Manager Program at Sept., 2017 NPF Committee Meeting to work in conjunction with NPF index portfolio. If approved, NPF would pay Advisers Trust, LLC a quarterly advisory fee, on amount invested, to oversee the alternative Money Manager Program, and work with Trustees, and Pension Committee.

- (1) Tax Payers should be permitted to speak at the beginning, and end of the monthly NPF committee meeting, as in all other town meetings.
- (2) BRONZO Group - the committee should not move forward with hiring them, to buy and sell bonds, and custody the NPF bond portfolio. Immediately, they need to be replaced for the following reasons ...
 - (a) Hiring an adviser that has multiple disclosures including "failure to act in a fiduciary manner" is not in the best interest of the NPF. Fiduciaries of NPF need to act in the best interest of NPF.
 - (b) As this position was not formally offered to the public, the entire process of hiring a custodian for a fee needs to be open to the public.
- (3) In the minutes of June 21 meeting - the following corrections my name is Walter Pachniuk - not Bruce, not Pacniuk. The points I brought up were as follows, extensively more than what was reported.
I commented on the following
 - (a) In an attempt to persuade the committee to keep the individual bond portfolio going, and hire BRONZO to buy/sell and custody bonds on behalf of the NPF, BRONZO gave a comparison of the NPF bond portfolio results vs the Vanguard Bond Index Fund results.

The comparison was flawed – it did not compare apples to apples, and only compares over a very short time period, 5 months, which is obviously skewed.

- (b) I commented that it was ridiculous to pay anyone \$50,000 to custody a bond portfolio as this is virtually unheard of in the industry.*
- (c) I commented on the lack of due diligence to hire BRONZO – simply looking at his background disclosures would lead prudent people elsewhere.*
- (d) I commented that the bond market of the 2017's is extremely complex, and that one could likely do better with ETF's and Mutual Funds.*
- (e) I asked the committee who and how BRONZO would be monitored in the buying and selling bonds on behalf of the NPF? Specifically, at the moment of the buy, and the moment of the sell.*
- (f) Finally, I suggested to the committee to work with a professional like myself; a local, extensively experienced and credentialed investment advisor with Newtown's best interest in mind, to consult on money management on monthly basis.*

FROM: *AdvisersTrust, LLC
Walter Pachniuk, CFP
30 Main Street, Newtown, CT 06470*

Request to Formally Present alternative Money Manager Program at Sept., 2017 (or Oct) NPF Committee Meeting to work in conjunction with NPF index portfolio. If approved, NPF would pay Advisers Trust, LLC a quarterly advisory fee, on amount invested, to oversee the alternative Money Manager Program, and work with Trustees, and Pension Committee