

**Town of Newtown
Pension Committee Meeting
April 19, 2018 7:30pm
Lower Meeting Room, 3 Main Street**

THE FOLLOWING MINUTES ARE SUBJECT TO APPROVAL BY THE PENSION COMMITTEE.

1. Meeting called to order by Ellen Whalen at 7:45pm.

Committee Members in attendance: Sam Broomer, Charles Farfaglia, Guy Howard, Scott Schwartz, Paula Wickman, Ellen Whalen. Patrick Burke absent.

2. Minutes

Motion by Paula Wickman, seconded by Sam Broomer to approve Minutes of March 15, 2018 Meeting. All in favor.

3. Correspondence

None

4. Retirement/Expense Payment Approval

Retirement – Motion made by Scott Schwartz, seconded by Charles Farfaglia to pay Termination Benefit (Return of Contributions) to Kathryn Sheehan-Gianelli as presented. All in favor.

Expenses – Motion made by Scott Schwartz, seconded by Charles Farfaglia to pay TR Paul, QE 3/31/18 Administrative Expense for Police (Inv # 37630) and Pension (Inv #37631) Plan and FIA QE 3/31/18 Consulting Fee as presented. All in Favor.

5. Old Business

DROP Update – Board of Selectmen Resolutions prepared by G. Kasper, Pullman Comley to approve Pension Trust as investment vehicle for DROP assets. E. Whalen to forward to BOS for action.

6. New Business

Wells Fargo

Trust Reports – March 31, 2018 Market Value: Pension \$42.8; OPEB \$2.4. FIA submitted Investment Recommendations for Pension/OPEB Trusts. Investment Committee will meet to discuss and review with PC at May 24th meeting.

Custodian - PC continued discussion of CT State Treasurer's "Needs to Improve" rating with respect to the "qualified public depository" list within the meaning of CT General Statutes 7-401, 7-402, 7-403 re Wells Fargo, the statutory standards for the prudent investor (CGS 7-450(b) and 45a-541 et seq) prudently selecting and monitoring the Custodian, the conflicting legal opinions regarding the applicability of the statute to Newtown Trust funds and the PC concerns over many legal, regulatory and ethical issues that have plagued Wells Fargo over the last several years. Issues such as, but not limited to, implementing questionable incentive pay programs and sales practices, opening millions of unauthorized customer accounts, charging improper fees on mortgage loans, forcing auto-loan customers to pay for insurance policies they did not need, overcharging companies for foreign currency trades; and awarding "golden parachutes" to retiring executives either directly involved in these matters and/or at the highest levels of management. The PC also noted the troubling nature and magnitude of these offenses cannot be overstated. Therefore, regardless of the final decision concerning the applicability of the CT Statutes 7-401, 402,403 to this situation, the Pension Committee concluded based on the totality of Wells Fargo's wrongdoing, that Newtown should terminate, the existing "depository" relationship with the Bank. A motion was made by Charles Farfaglia to recommend to the Board of Selectmen (as Plan Trustees) to terminate Wells Fargo, as soon as practicable, based on the enforcement activity over the course of the past several years and other state and regulatory mandates, and to secure a satisfactory replacement through the Request For Information (RFI) or Request For Proposal (RFP) process. Guy Howard seconded Mr. Farfaglia's motion. All in Favor.

7. Voter Comment

None

8. Date of Next Meeting: May 24, 2018

Town Hall South, 3 Main Street, Lower Meeting Room.

A motion was made by Scott Schwartz, seconded by Guy Howard to cancel May 17th Monthly meeting and schedule a Special Meeting for May 24th. All in Favor.

9. Adjournment

With no further business, Scott Schwartz motioned to adjourn meeting, Guy Howard seconded, All in favor. Meeting adjourned at 8:45pm.

Respectfully submitted,

Ellen Whalen, Pension Committee Chair