

**Town of Newtown
Pension Committee Meeting
May 15, 2017, 7:30pm
3 Main St**

1. Meeting called to order by Ellen Whalen at 7:27pm.

Committee Members in attendance: Patrick Burke, Mark Korotash, Scott Schwartz, Paula Wickman and Ellen Whalen. Also present: Devon Frances of FIA; Absent: Joseph DeCandido. Charles Farfaglia.

2. Discussion/Approval

Retirements None

The meeting began with a presentation from Devon Frances of FIA. Devon gave a quarterly investment review for the first quarter of 2017. She discussed the market review and the performance of the domestic industries which have continued to perform well. She stated that international markets outperformed domestic markets with very strong returns. She then reviewed index results. Domestic markets have performed well but have not kept up with international markets. FIA states that the Town of Newtown's portfolio has more domestic bias and suggested the Town may want to think about increasing exposure to international markets even though there are geopolitical risks. They also encourage active management on the international side.

Devon also discussed asset allocation stating the Newtown pension plan is almost at the \$40,000,000 mark. She then reviewed the pension plans summary report showing the ending market value was higher than the beginning market value. All the index funds are tracking their respective benchmarks except for the international passive strategies which tend to not track as closely because the US markets close at a different time than the international markets so it is simply a technical issue. A little more discrepancy in that fund over time will be noticed.

OPEB portfolio is off based on its target allocation. There is significant underweight to fixed income and overweight to domestic and international equities. Devon asked if there is an appetite to generate a cash flow worksheet to rebalance the portfolio back to its target allocation to increase exposure to fixed income and decrease exposure to domestic and international equities so that The Town is in line with the target allocation. Patrick stated the committee will think about it.

She also quickly presented the flash report showing that for the month of April the pension portfolio is up 1.2% with a year to date performance of 5.8% for the pension assets. The OPEB is similar which shows it is up 1.2% for the month and up 5.7% year to date. If the year continues as it has been, the Town will have no problem meeting the 7.5 % return objective but would not be surprised with some volatility.

3. Approval – Minutes of April 20 , 2017 Meeting.

Motion by Scott Schwartz, seconded by Mark Korotash to approve the Minutes of the April 20th meeting. All in favor.

4. Correspondence: None

5. Discussion/Approval

Retirements None

Expenses – Ellen presented a Wells Fargo expense for \$4009.36. Scott Schwartz made a motion to approve and Patrick Burke seconded. All in favor.

6. Old Business – FIA conference June 23, 2017; Hooker and Holcomb, OPEB actuary, meeting confirmed for October 16, 2017; FIA performance review set for September 18, 2017

7. **New Business** – Patrick Burke stated that Wells Fargo is amenable to changing the billing process. He also noted that the annual financial report was a very interesting document to read. Legislative council ordinance: This document outlines the Pension Committee’s responsibilities. Ellen discussed this with Mary Ann Jacob, Chairman of the Legislative Council and will be reviewing this document; Trust Plan document review: FIA provided the names of two attorneys to redo the documents. The Committee is looking to have the pension and OPEB documents updated. The committee will look at the cost; Trust Audit: The Committee suggested to Robert Tait that an audit be done. Ellen spoke with David Leonard of TR Paul. The Committee will move forward with the trust audit; Procedure for expenses: There will be a more detailed format; Pension and OPEB guidelines: These have been reviewed and restructured. Ellen hopes to have this done by June and will send to The Committee in advance.

8. **Voter Comment**

No Voters Present

9. **Confirm Date of Next Meeting: June 19, 2017**

10. **Adjournment**

With no further business, motion was made by Scott Schwartz to adjourn meeting at 8:46pm, seconded by Mark Korotash, All in Favor.

Respectfully submitted,

Patrice Fahey