

Special Meeting Pension Committee
June 21, 2017
3 Main St

Meeting called to order by Ellen Whalen at 7:36 pm
Committee members in attendance: Patrice Burke, Paula Wickman, Ellen Whalen, Scott Schwartz, Charles Farfaglia.
Also in attendance: Paul Bronzo, Robert Rogan of The Bronzo Group
Voters in attendance: Bruce Pacniuk, Miriam Pacniuk

The Bronzo Group: Paul Bronzo stated that at the end of the third quarter they advised the committee and Bob Tait that some of the individual bonds did not need to be sold. They were of a very strong nature and they didn't see a need or urgency to liquidate. The Committee agreed and the accounts were moved in and they started to manage that. It was approximately thirteen million. They would then be moved into Joe DiPalma's area at Vanguard.

After election interest rates spiked. In February they did liquidate some bonds and were very pleased with what was happening. Since they incepted the paper the portfolio returned 3.44% comparatively to the index which was .19% and the Vangaurd index fund which was .2%. The actual maturities have been outpacing the blended indices.

Robert stated that if the committee were to have sold all the bonds 100% to Vanguard the income generated would have been \$296,000. Currently they are generating income of \$596,000. When the interest rates go higher bond values go lower. It didn't make sense to sell at that point. Owning the maturity allows you an insurance policy and at some point it

redeems. The only downside is diversity as it has significant risks. Bronzo reviews with Bob Tait every quarter.

Paul stated that there is no sales charges to buy or sell so if the committee decided to make a move there is no penalty to do that. He also stated that every quarter the committee has the ability to evaluate. The Committee owns some very good bonds.

Correspondence: None

Discussion/Approval: Approval of meeting minutes from May 15, 2017. Ellen Whalen made revision. See attached. Scott Schwartz made a motion to approve. Patrick Burke seconded. All in favor.

Approval of retirements: Charles Farfaglia made a motion to approve retirements of Cooper and Campbell. Patrick Burke seconded. All in favor.

Charles Farfaglia made a motion to request a proposal from the Bronzo group of Wells Fargo Advisors to continue to actively manage the bond fund portfolio which may include additional purchases and sales. Scott Schwartz seconded. All in favor.

Old Business:

Legislative Council Ordinance Committee Update: Ellen requested that the Committee review it and get back to her by June 28th.

Trust Documentation Legal Review: Ellen contacted two attorneys, Bruce Barth and George Kasper. They will look at the document, give Ellen an estimate on cost and decide the next steps in order to make a recommendation to the Board of Selectman. Ellen asked Scott and Charles to help her with that.

Trust Audit: Ellen stated that she has tried several times to reach MahoneySabol and was unable to connect with them. She will continue to try to reach them.

Pension Committee Guideline Update: Ellen stated she will send a copy to Paula Wickman to review and then will finalize.

New Business:

Committee Member Resignations: Mark Korotash and Joseph DiCandido have resigned. At this time no one has expressed an interest in these positions. Ellen stated that the Committee has the ability to be part of the process of replacing those positions.

Wells Fargo Trust Report Review: Patrick Burke stated that the pension and OBEP are both doing well.

Asset Reallocation: Ellen stated that Devon had recommended the pension have more international equity. Ellen suggested that in July the Committee review and decide if they need to adjust the investments.

Employee Plan Communication: Ellen suggested a summary plan description be created to be distributed to participants.

Voter Comment: Bruce Pacniuk stated that people don't realize the complexity of the bond market. He questioned how the Committee was going to monitor the Bronzo Group. He suggested they use someone like him.

Date for next meeting: July 17, 2017

Adjournment: Charles Farfaglia made a motion to adjourn. Scott Schwartz seconded . All in favor. Meeting adjourned at 9:08 pm