

MINUTES OF PENSION BOARD MEETING OF SEPTEMBER 26, 2016

The Pension Board held a regular meeting on Monday, September 26, 2016, in Room 213, Stratford Town Hall, 2725 Main Street, Stratford, CT, pursuant to notice duly posted by Chairman Manus.

Members Present: J. Vincent Chase, Alan Llewelyn, Tina Manus, Dave Hurley, Mathew Morse (Alt) , Joseph Maida (Alt), and Linda Williams

Others Present: John Florek (Town Attorney), Susan Collier (Finance Director), Susan Barksdale (Human Resources), David Lee (Dahab Associates) and Neyda Ahlstrom (Wells Fargo).

I. CALL TO ORDER

- Chairman Manus called the meeting to order at 6:26 p.m.

II. APPROVAL OF MINUTES – Regular Meeting of July 25, 2016

- ON MOTION BY MR. CHASE AND SECONDED BY MR. MORSE, THE FOREGOING MINUTES WERE APPROVED 7-0.

III. NEW APPLICATIONS FOR SUPERANNUATION

1. CAROLINE JOY HAMILLA (Supervisors)

- Ms. Barksdale confirmed that Ms. Hamilla meets all the qualifications for superannuation.

- ON MOTION BY MR. LLEWELYN AND SECONDED BY MR. CHASE, THE SUPERANNUATION APPLICATION OF CAROLINE JOY HAMILLA WAS APPROVED 7-0.

IV TREASURER'S REPORT

- Ms. Neyda Ahlstrom from Wells Fargo, the Town's Pension Plan Administrator, gave the Board an overview of the services that Wells Fargo provides to the Town. Wells Fargo has been serving Stratford since 1991. She distributed two documents: (1) 2016 Annual Executive Summary for the Town's Pension Plan, and (2) the Cash Flow Activity for August 2016. Stratford paid \$1,839,180 in pension payments in August. The total distributions from the Pension Fund that month were \$1,872,057. The Board questioned the additional \$33,000 in disbursements. This could include contract settlements. Ms. Collier stated that there are also two retirees who receive COLA payments which were approved by former Mayor Miron but never came before the Pension Board. When the Town threatened to stop these COLA payments, the Retirees threatened to sue. Instead of legal action, a former Town Council voted to continue the COLA payments with the provision that the Pension Plan would be reimbursed for these payments from the General Fund. Ms. Collier also advised that this situation may come up again with another employee.

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- Mr. Lee distributed three documents: (1) the Performance Report for the month of August, 2016; (2) a copy of the Pension Fund's Statement of Investment Policy and Guidelines; and (3) Passive Small, Small/Mid, and Mid Cap Manager Search.

- Regarding the Fund's performance in August, the Fund was up 0.5% for August and 5.9% for the year. Despite volatility, the stock market has been strong. At the end of August the value of the Pension Fund was \$249 Million.

- Referring to the Pension Fund's Statement of Investment Policy and Guidelines, Mr. Lee advised that the only thing that has been changed from the previous Guidelines is an amendment to the Asset Allocations. The prior allocation (known as GTAA) was adopted just after the Town had bonded and there was a lot of cash to invest. However, that allocation has not been performing well. Mr. Lee is proposing to increase Large Cap Equity from 20% to 22.5% and to reduce Timber from 5% to 2.5%. The other allocations would remain the same.

- MR. HURLEY MOVED TO ACCEPT MR. LEE'S RECOMMENDATION TO AMEND THE ALLOCATIONS FOR LARGE CAP EQUITY FROM 20% TO 22.5% AND TIMBER FROM 5% TO 2.5%. MR. CHASE SECONDED AND THE MOTION TO AMEND THE ASSET ALLOCATIONS IN THE STATEMENT OF INVESTMENT POLICY AND GUIDELINES CARRIED 7-0.

- MR. HURLEY MOVED TO ACCEPT THE STATEMENT OF INVESTMENT POLICY AND GUIDELINES IN ITS ENTIRETY. MR. CHASE SECONDED AND THE MOTION CARRIED 7-0.

- Mr. Lee also recommended that the Board eliminate its two current Smid Cap Managers, Century Capital and Advisory Research, who are managing about \$30 Million each, and replace them with two new managers, either Mid Cap, Smid Cap or Small Cap. His recommendation was to switch to Vanguard Mid Cap (as measured by CRSP) and the Wilmington Trust Smid Cap, both Index Funds. This would save money as the fees are much less than an actively managed fund. Mr. Lee further recommended investing 10% of the Fund with each manager and giving any leftover funds to Pimco.

- MR. HURLEY MOVED TO ACCEPT MR. LEE'S RECOMMENDATION TO ELIMINATE CENTURY CAPITAL AND ADVISORY RESEARCH AND TO REPLACE THEM WITH VANGUARD MID CAP AND WILMINGTON TRUST SMID CAP. MR. MORSE SECONDED AND THE MOTION CARRIED 7-0.

V. TOWN ATTORNEY REPORT

1. Continuation of Presentation on Overview of Pension Board

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- Due to time constraints, MR. HURLEY MOVED TO TABLE THIS ITEM UNTIL THE NEXT MEETING. MR. CHASE SECONDED AND THE MOTION CARRIED 7-0.

VI. NEW BUSINESS - None

VII. GOOD OF THE BOARD – No business

VIII. ADJOURNMENT

- UPON MOTION BY MR. LLEWELYN AND SECONDED BY MR. MORSE, THE MEETING OF THE PENSION BOARD ADJOURNED AT 7:09 P.M.

Respectfully submitted,

Gail J. Nobili, Secretary

As of March 28, 2016

Notification to:

J. Vincent Chase	Ron Ing (HR Director)
Beth Daponte	Andrea Mosley (Payroll)
David Harden	Gary Catalano (Supervisors)
Wali Kadeem	Michael Bonnar (Supervisors-A)
Alan Llewelyn	Dave Hurley (Public Works)
Tina Manus	Michael Vidmosko (Public Works-A)
Philip Young	Tom Murray (Fire Dept)
John A. Harkins (Mayor)	Mathew Morse (Fire Dept-A)
Christopher Tymniak (CAO)	Frank Eannotti (Police Dept)
Christopher M. Hodgson (Town Atty)	Joseph Maida (Police Dept-A)
John A. Florek (Town Atty)	(BOE)
Susan Collier (Finance Director)	Anthony Roma (BOE-A)
Neyda Ahlstrom (Wells Fargo)	Linda Williams (Town Hall)
David Lee (Dahab Assocs.)	(Town Hall-A)
Susan Barksdale (HR)	Susan Nicholson (HR BOE)

Engineering, Water Pollution, Highway, Sanitation, Garage Maintenance, Parks