

RIDGEFIELD PENSION COMMISSION

Meeting of Monday, July 31, 2017 (*Final – Approved 9/18/2017*)

MEMBERS PRESENT: Messrs. Chris Christiansen, Tom Hayes (via telephone), Mike Rettger, Chris Sierakowski, Art Aaronson, Chris St. Victor-de Pinho

MEMBER ABSENT: Mr. Jim Stoveken

The meeting convened at 8 PM in the lower level small conference room in Town Hall. The following business items were discussed.

1. Mr. Christiansen welcomed Mr. St. Victor-de Pinho to the Commission.
2. Pursuant to the Town Charter, the members discussed selection of the Chairman and Secretary for the current year. Upon motion and second, Mr. Christiansen was nominated as Chairman and Mr. Rettger was nominated as Secretary. Both nominations were approved by unanimous vote.
3. The Minutes of the prior Commission meeting on June 19, 2017 were approved as published on the Town web site. Mr. Aaronson and Mr. St. Victor-de Pinho abstained as neither had been present for that meeting.
4. The members discussed the current investment policy guidelines (“IPS”), the role of Commission relative to the role Vanguard as the investment manager, and what input to the investment management process should be expected of Vanguard. The group agreed that the IPS, as set by the Commission, represents the long term investment strategy for the Plan. Vanguard is expected to execute the strategy with their selection of investments and with their decisions to vary the asset mix within the boundaries provided by the IPS to reflect their current tactical/market outlook. Vanguard should bring forward recommendations for possible changes in the IPS from time to time as they feel are needed for consideration. The members agreed that the quarterly review sessions with Vanguard should include a standing topic to solicit and discuss any Vanguard proposals in this regard.

The members discussed the information provided by Vanguard regarding the investment asset distribution patterns of various types of pension and managed investment programs. They also reviewed exhibits of expected returns and volatility for the current and alternative asset mixes for historical time horizons of 10 and 30 years. Mr. Christiansen reported that under our investment management contract with Vanguard, they will provide various asset/liability simulation analyses at no additional cost. He will ask Vanguard to provide information about these capabilities for the Commission to discuss at an upcoming meeting.

After further discussion, it was moved and seconded to adopt the updated IPS, reflecting the changes approved at the last meeting, as well as the updated Exhibit B of the Vanguard contract also reflecting these changes. Both items were approved unanimously.

5. The members reviewed the quarterly billing from Vanguard for investment management fees. There was no invoice as the fees are paid from the Plan assets pursuant to the Vanguard contract. A billing from Cohen and Wolfe for some minor additional fees relating to the Policy Plan rewrite were reviewed, and upon motion and second, this billing was approved for payment.
6. Mr. Christiansen noted that with the departure of prior member Ted Siebert, the Commission needed to select another person as an authorized signatory for the Union Savings and Vanguard accounts. Mr. Rettger was selected as the replacement for this role.
7. Mr. Christiansen provided an update on the service to verify the status of Plan retirees. The service has identified two retirees to verify, one of whom was confirmed as having died. The second case is still in process with the HR department.
8. Mr. Christiansen reported on the progress of the re-write of the Police Pension Plan document. He has received comments from the several people, including the TR Paul actuary. He will await comments from Mr. St. Victor-de Pinho this week before giving the law firm the OK to proceed with final edits.
9. The members discussed the topic of assumed mortality tables to be used in the Plan re-writes. Analysis from the TR Paul actuary indicates the effect of updating to a current mortality table would be minor, after factoring in the current rate of return assumption being used by the Plan. The actuary has suggested that any change to these factors should be done concurrent with the Town's fiscal year. The members agreed to defer this question until early in 2018, for consideration of adoption to be effective with the Town's 2018-2019 fiscal year.
10. The members reviewed an exhibit of the assumptions that will be used by TR Paul in their annual analysis of Plan liability and funding recommendations.
11. Mr. Christiansen reported the Plan's returns for the past fiscal year, as reported by Vanguard. The Pension Plan has a total return for the period of 11.8%, compared with its benchmark result of 10.9%. The OPEB return was 5.9%, consistent with the differing asset allocation currently in place for that plan.
12. Mr. Christiansen updated the members on the discussions with TR Paul on a contract re-write. After discussions, TR Paul has proposed having two separate contracts, one for the administrative services it provides, like check writing, and a second one specifically for the actuarial services provided. The members agreed that this seemed like a reasonable way to proceed with these contracts, as that gives the Commission more flexibility on managing the various services.
13. Mr. Christiansen reported that in reviewing the Police Plan document during the re-write, it was noted that that Plan requires the members of the Commission be bonded. Mr. Rettger will look

into satisfying this requirement with the Town risk manager and insurance broker, and report back at a future meeting.

The meeting adjourned at 9:30 PM.

NEXT MEETING: The next meeting of the Pension commission will be Monday, September 18, 2017 at 8:00 pm. Mr. Christiansen reminded the members that the Commission has also been invited to meet with the Board of Selectmen on Wednesday, September 27 at the BOS regular meeting that evening.

Submitted as approved 9/18/2017

Michael Rettger, Secretary

September 20, 2017