

Minutes of the Suffield Retirement Commission  
February 12, 2015 – Town Hall – 5:30 p.m.

**Members present:**

Eric Remington, Chris Childs, Christine Davidson, Ed McAnaney, Ryan Burrell, Ralph Takala (via telephone), and Tracy Eccles, Board of Finance, attending as a member of the OPEB Trust Investment Subcommittee  
Absent Kathleen Rietberg, Dan Sheridan

Also present: Michael Lepore, and Claire McDonald, Wells Fargo Advisors (WF); and Katherine Christopher, Human Resources Director

Chairman Eric Remington called the meeting to order at 5:30 p.m.  
He welcomed Mr. Takala to the meeting via conference call.

Citizen Comment: None

Minutes of the Special Meeting of the Meeting, Dec. 11, 2014 – Mr. McAnaney moved to approve the minutes of the meeting of December 11, 2014; Mr. Childs seconded. The minutes were approved by unanimous vote.

**Review Portfolio Performance with Wells Fargo - Pension**

Mr. Lepore stated that because this time, the market and the economic viewpoint has not really changed, since the last meeting, he wanted to discuss the diversification and the benefits of the portfolio. Market leadership has come from domestic equities. We know what happened to the price of oil and in general commodities have been weak. We are at a supply and demand imbalance in energy markets at this time. The recent turmoil in energy markets is evidence of the importance of diversity in the overall portfolio allocation. All in all, WF is constructive on the equity market for the year, fixed income will probably be benign but we feel the equities will continue to move northward but maybe not see double digit returns this year. All in all, WF did not recommend any changes to the overall allocation.

Ms. McDonald then reviewed the investment performance. As we have much the same investments in the both Pension and OPEB, the commentary will be much the same. The allocation is 60 % in equities, 30% in Bonds, 3% in real estate, and the balance in cash. Our allocations were pretty well in line with our target. She reviewed the investment performance analysis of the Pension Plan as of December 31, 2014. (p.15) of the report.

**Allocation of Assets – Pension** – This report was dated last night. Mr. Lepore noted that current value of the assets of the Pension Plan is \$27,330,554. You are well within the parameters of the Investment Policy. We are not recommending rebalancing the portfolio at this time. We examine the target balance every quarter.

Mr. Lepore noted that the allocation of assets for OPEB is within the target area. At the end of the quarter, the OPEB current balance was \$7,724,427. We are not recommending rebalancing OPEB at this time.

Mr. Remington thanked Mr. Lepore and Ms .McDonald for their presentations.

Mr. Remington noted that we do the actuarial valuation every two years. The current valuation is good through the year ended June 30, 2015. A new actuarial valuation is required and the first budget year that will impact is June 30, 2016. The contribution the Town will make this year is based on the existing valuation. As discussed with the actuaries at the last actuarial presentation we need to evaluate a number of our assumptions. Deborah Cerrato and I have had some correspondence with the actuaries and what we feel is that it would be best to use payroll data as of June 30, 2015 to prepare the next valuation, which would not be ready in time for us to discuss at our August meeting. So, we think it would be more prudent to wait to discuss at the November meeting using June 30 data. We can use the same data for both the actuarial valuations and review of assumptions. The Director of Finance has already negotiated the fees with Hooker and Holcombe. The budget currently under development for the year ending June 30, 2016 includes negotiated actuarial fees that include work to assess changes to the assumptions. The contribution that is currently in the budget this year is \$1,300,000 which is in line with the current actuarial valuation.

The meeting adjourned at 6:20 p.m.

Respectfully submitted, Bobbie C. Kling, Secretary Retirement.Min.Feb.12.2015