

**TOWN OF SOUTH WINDSOR
PENSION COMMITTEE
MINUTES
October 30, 2017**

The meeting was called to order at 8:35 a.m.

Members Present: Cindy Beaulieu, Town Council; Chris Chemerka, Board of Education; Patricia Lewis, Assistant Director of Finance; Matthew Galligan, Town Manager; Patricia Perry, Director of Finance; Matthew Riley, Town Council

Members Absent: Saud Anwar, Town Council; Scott Custer, Deputy Chief of Police; Joseph Durette, Board of Education

Also Present: Anthony Tranghese, CFA, Principal, Fiduciary Investment Advisors, LLC, Michelle Rubin, Milliman (arrived at 8:39 a.m.), Donald Antaya, Resident

Ms. Chemerka made a motion to approve the April 26, 2017 and July 26, 2017 minutes. Ms. Lewis seconded the motion; and it was approved unanimously with two abstentions. Mr. Riley abstained from the April 26, 2017 minutes, and Ms. Beaulieu and Mr. Riley abstained from the July 26, 2017 minutes.

As Ms. Rubin was running late, the Committee started with Discussion Item 4.B. Mr. Tranghese reviewed a Quarterly Investment Review and key updates (copy with original minutes). It has been a good year for markets across the board. There are strong returns in U.S. equities. International equities also performed well. He recommends increasing international equities by 5% and introducing a small cap non-US equities in a new mandate. Three manager candidates were researched for the Committee for the new mandate.

Mr. Riley made a motion to prorate 5% out of actively managed domestic equity into international small cap. Ms. Beaulieu seconded the motion; and it was approved unanimously.

Mr. Galligan made a case for choosing Vanguard as the manager.

Mr. Riley made a motion that the 5% that is being allocated to small cap international be allocated to the Vanguard International Explorer. Ms. Beaulieu seconded the motion; and it was approved unanimously.

Ms. Rubin reviewed the results of the 2017 pension valuations for the South Windsor Pension Plans (copy with original minutes). Ms. Rubin stated that based upon long-term trends and assumptions, Milliman is proposing graded retirement as less people are retiring than expected. Making a change would reduce the Actuarially Determined Contributions while keeping the plan somewhat conservative.

Ms. Chemerka made a motion to reduce the rate of assumption to 6.75% and change the retirement assumptions. Ms. Beaulieu seconded the motion; and it was approved unanimously.

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Mr. Galligan said that he would like a special meeting in November 2017 to make the Pension Committee the trustee of the OPEB fund, and the Committee agreed. The Committee will need to wait for the Town Attorney to review the contract before setting up a meeting.

The next regular meeting was scheduled for Wednesday, January 31, 2018 at 8:30 a.m. in the Madden Room.

Ms. Lewis made a motion to adjourn at 10:03 a.m. Mr. Riley seconded the motion; and it was approved, unanimously.

Respectfully submitted,

Ashley Booth
Recording Secretary