

From: Susan Mazurski August 2, 2012 2:52:20 PM
Subject: Pension Committee Minutes 08/02/2012 Special Meeting DRAFT
To: SimsburyCT_PensionMin
Cc:

TOWN OF SIMSBURY
PENSION SUBCOMMITTEE

Minutes of Special Meeting
Thursday, August 2, 2012
7:30 a.m. in the Main Meeting Room
Simsbury Town Hall
933 Hopmeadow Street, Simsbury, CT 06070

I. Call to Order

In attendance were: Administrative Chair Thomas Cooke, Director of Administrative Services; Mary Ann Harris, Finance Director; Burke LaClair, Business Manager; Nick Mason and Paul Henault from the Board of Finance; Michael Wade from the Board of Education; Moira Wertheimer and Lisa Heavner from the Board of Selectmen, and Paul McAlenney and Phil Schulz, members-at-large.

Mr. Cooke opened the meeting at 7:30 a.m.

All subcommittee members were given an information packet that included:

- A July 11, 2012 draft copy of the Pension Subcommittee meeting minutes.
- The Town of Simsbury: Diagnostic Summary Review of the Town Pension Plans dated August, 2012.

II. Acceptance of Minutes

Mr. Henault made a motion to approve the draft minutes of the July 11, 2012 Pension Subcommittee meeting. The subcommittee recommended several modifications to the minutes. With the modifications included, the motion the passed unanimously with Mr. Wade abstaining.

III. Action on Fiduciary Investment Advisors' "open architecture recommendation" with respect to management of pension plan funds as described in FIA's Diagnostic Review

Mr. Cooke asked for a motion to adopt FIA's "open architecture recommendation." Mr. Henault moved to recommend that the Town of Simsbury implement the open architecture approach proposed by the Town's investment advisors as described in FIA's Diagnostic Summary Review of the Town

Pension Proposals dated August, 2012 and reflected on page 7 of the presentation. Mr. Mason seconded the motion and discussion ensued. Mr. Schulz reviewed Exhibit A of the Town of Simsbury's contract with FIA, questioned the nature of FIA's obligation to identify and present investment managers and how FIA's role compared with the role of the investment managers they might present. The subcommittee discussed the nature of FIA's role as a fiduciary with investment manager oversight responsibility and no financial stake in the products offered by the investment managers they might recommend. The subcommittee referred to page 7 of the Diagnostic Summary Review which identifies specific investment managers noting that these managers have no relationship to FIA. Further discussion ensued concerning the nature of FIA's compensation. Mr. Cooke noted that pursuant to the contract, FIA is paid a flat fee and that FIA's compensation is not tied to the performance of the investment managers.

The subcommittee discussed the process for "rebalancing" investments to ensure compliance with investment directives from the Town. Ms. Harris noted that she is contacted by FIA, which has served as investment advisor for the OPEB fund, when authorization for investment "rebalancing" is necessary.

There being no further discussion, the subcommittee unanimously passed the motion.

VII. Adjourn

Ms. Heavner made a motion to adjourn the meeting. Ms. Wertheimer seconded the motion. All were in favor, and the motion was passed unanimously. The meeting was adjourned at 7:45 a.m.