

From: Rick Bazzano February 3, 2009 1:39:15 PM  
Subject: Pension Committee Minutes 09/03/2008  
To: SimsburyCT\_PensionMin  
Cc:

TOWN OF SIMSBURY  
PENSION COMMITTEE  
REGULAR MEETING  
September 3, 2008

1. CALL TO ORDER

The meeting of the Pension Committee was called to order at 7:35 a.m. in the Main Meeting Room of the Simsbury Town Offices. The following members were present: Donna Parker, Paul McAlenney, Nick Mason, Kevin Schultz, Susan Royles and Phil Schulz. Also present were Carl Heidt and Finance Director, Kevin Kane.

2. APPROVAL OF MINUTES FROM MAY 21, 2008 MEETING

A motion was then made to approve the May 21, 2008 minutes with a change to item 5 from ten years to sixteen years. The motion was seconded and carried unanimously.

3. REVIEW AND DISCUSS ACTUARIAL ASSUMPTION OF 8% ON THE INVESTMENT RETURN WITH MILLIMAN THE TOWN'S ACTUARY

Becky Sielman from Milliman was present at the meeting. Becky discussed and provided the committee with the following:

- Milliman, 2006 Survey on their clients that the median assumption on the investment return was 8%.
- Milliman, 2007 Survey based on the past using an investment mix of 55% Equity and 45% Fixed supports an 8% investment return. Becky did state that Milliman's practice now feels that the world has somewhat changed and Milliman foresee lower equity returns not with past practice.
- Becky then provided the committee with a modeling oversight on the Town's plans itself. In our discussions it was discovered that Becky may have categorized some of the plans investments incorrectly while running her module which in effect would skew the results. Becky did concur that the town's acceptable range of its investment return assumption as most

likely changed and now the acceptable range probably falls between 7.25% and 8%.

After further discussions it was agreed to have Becky provide the committee at a later date a module to arrive at acceptable range on its investment return on its pension plans.

4. REVIEW PENSION PLAN PERFORMANCE

Bud Heidt provided the Committee with an update and handout on the plan(s) performance and quartile ranking.

5. ADJOURNMENT

Meeting Adjourned at 8:45 A.M.