

From: Rick Bazzano February 3, 2009 1:43:06 PM
Subject: Pension Committee Minutes 11/05/2008
To: SimsburyCT_PensionMin
Cc:

TOWN OF SIMSBURY
PENSION COMMITTEE
SPECIAL MEETING
November 5, 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 and Kevin Schultz. Absent were Susan Royles and Phil Schulz. Also present were First Selectman, Mary Glassman, Chairman, Board of Finance, Paul Henault, Selectman, Robert Hensley, Carl Heidt, Data Processing Manager, Rick Bazzano, Assistant Business Manager, Burke LaClair and Finance Director, Kevin Kane.

2. CONFERENCE CALL WITH RUSSELL INVESTMENTS TO DISCUSS TOWN'S PENSION PERFORMANCE AND REBALANCING ITS PORTFOLIO

On the conference call representing Russell Investments were Lisa Schneider, National Director of Client Services and Glen Harris, Client Executive to the Town of Simsbury Accounts.

The committee asked Russell what approach its clients were taking regarding rebalancing. Russell responded that its clients were almost evenly split one of three ways as follows:

- Did not rebalance
- Complete rebalance
- Phase-in rebalance

Discussions took place as to what triggers a rebalancing. Based on past practice all funds (holdings) that have a threshold of 2% or more are always automatically rebalanced. Due to the dramatic steep decline in the market instead of an automatic rebalance being triggered, Russell is asking each of its clients as to the approach that they are comfortable in taking.

Lisa Schneider recommended to the committee to proceed with a gradual

rebalancing to within 2% threshold with the Town's individual allocations. If the committee agrees to this approach then this would cause a mid November rebalancing in the Multi-Managed Bond Fund to Equity Fund(s). Lisa also recommended that the Plans continue with an automatic rebalancing at month end as dictated by past practice with Simsbury and Russell's other clients. Lisa emphasized to the committee her recommendation is based on Simsbury's investment policy objective.

Questions also arose regarding the real estate holdings. Real Estate holdings market values are always at least one month behind. As of October 31st the Town's real estate holdings (market value as of September 30th) is approximately 8% of the current allocation while the target allocation is 5% and therefore consideration to be given to rebalancing to within 2% threshold. Rebalancing on the Real Estate Fund is done quarterly and the requirement by the client is to provide Russell 110 days notice so therefore Russell needs a notice to rebalance from the Town by no later than December 12th to rebalance by March 31st.

The conference call with Russell then concluded.

Discussions then took place with Committee members and others at the meeting. A motion was presented by Paul McAlenney and seconded by Nick Mason as follows:

Motion: To move Multi-Manager Bond Fund holdings to within the 2% threshold to Equity Fund(s). Motion passed 4 to 0.

The committee requested that Mr. Kane notify Russell as to their motion.

Meeting Adjourned at 8:33 A.M.