

From: Rick Bazzano February 3, 2009 1:41:27 PM  
Subject: Pension Committee Minutes 10/17/2008  
To: SimsburyCT\_PensionMin  
Cc:

TOWN OF SIMSBURY  
PENSION COMMITTEE  
SPECIAL MEETING  
October 17, 2008

1. CALL TO ORDER

The meeting of the Pension Committee was called to order at 7:36 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 First Selectman, Mary Glassman, Chairman, Board of Finance, Paul Heanult, Carl Heidt, Data Processing Manager, Rick Bazzano and Finance Director, Kevin Kane.

2. CONFERENCE CALL WITH RUSSELL INVESTMENTS TO DISCUSS IMPACT OF STOCK MARKET DECLINE ON TOWN'S PENSION ASSETS

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.

Kevin Schultz had all members provide a brief oral bio on them to Russell.

In discussions, Russell informed the committee that we are definitely in a recession and that their economist does not foresee a quick turn around. They see the market not becoming stable until the 3rd quarter of 2009 at the earliest.

Regarding our Real Estate holdings which is always one month lag in pricing, Russell does predict a hit but not at the level as the Town's investments in both Equity I and II. The real estate holdings are primarily in commercial which is performing much better than residential.

Discussions took place on the Town's fixed income investments. The Committee requested that Russell provide them with data on composite of the fixed income funds.

Russell did discuss with the Committee regarding their comfort level

regarding rebalancing. Russell is recommending to all their clients to rebalance. Russell informed the Committee that if any funds are out of tolerance by more than 2% a rebalance is triggered. They asked the Committee to get back to them in a week or so to provide them with direction on rebalancing. The choices they provided the Committee and levels of doing so were: (1) not to rebalance, (2) rebalance, (3) gradual rebalance.

The conference call with Russell then concluded.

Discussions then took place with Committee members and others at the meeting. The Committee members concluded the following:

- Recommending postponing a decision not to rebalance until after reviewing month ended October results.
- Schedule a special meeting for Wednesday, November 5th at 7:30 AM and requested Mr. Kane contact and schedule a conference with both Lisa Schneider and Glen Harris from Russell Investments.
- Also requested that Mr. Kane send an e-mail to Glen Harris to clarify when rebalancing is triggered (e.g. month ending performance, etc.) and also to provide derivative analysis on the fixed income funds.
- At a later meeting have discussions if it is time to do go out for a Request for Proposal for Investment Manager since Simsbury had been with Russell Investments since July 1, 1994.

Meeting Adjourned at 9:06 A.M.