



Town of Simsbury

933 HOPMEADOW STREET

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SIMSBURY, CONNECTICUT 06070

Thomas F. Cooke – Director of Administrative Services

Retirement Plan Sub-Committee **Regular Meeting** **Minutes**

Wednesday, September 7, 2016 at 7:30 A.M.

Board of Education Conference Room

Simsbury Town Hall – 933 Hopmeadow Street

I. Call to Order

The meeting was called to order at 7:30 a.m. by administrative chair Tom Cooke. Sub-Committee members Rob Pomeroy, Cheryl Cook, Kevin Prell, Chris Kelly and Paul McAllenney were present. First Selectwoman Lisa Heavner, Board of Education Business Manager Burke LaClair, Director of Finance/Treasurer Sean Kimball and FIA representative Tyler Polk were also in attendance.

II. GovInvest Presentation

Jasmine Nachtigall-Fournier, Co-Founder & President of GovInvest, Inc., provided an on-line presentation of GovInvest's Total Liability Calculator, a cloud-based software providing instant actuarial and financial analysis with a variety of tools which would allow the town to consider the impact of changing different variables such as the interest rate assumption for the plans and different amortization periods. Ms. Nachtigall-Fournier also explained that GovInvest has a traditional actuarial consulting practice and was positioned to meet the town's required Government Accounting Standards Board (GASB) reporting requirements. She also discussed the platform's ability to provide individual employee information based on real-time data.

The Sub-Committee asked Ms. Nachtigall-Fournier about GovInvest's formation and financing and specific questions about the scope of the Total Liability Calculator.

After the presentation concluded, the Sub-Committee discussed the potential savings from such a system and/or alternative systems and whether a platform similar to the Total Liability Calculator would be used in place of or in conjunction with more traditional actuarial services. Mr. Cooke was asked to obtain additional information about GovInvest and to work with FIA to determine whether municipalities were currently using the same or similar services.

III. Review of Minutes
a) Regular Meeting, May 18, 2016

The Regular Meeting minutes for May 18, 2016 were reviewed. The Sub-Committee amended the minutes to change the word “national” on page 2, second paragraph under section b).

IV. Second Quarter Capital Markets Review

Mr. Polk reviewed a document provided by FIA entitled “Town of Simsbury Retirement Plans, quarterly Investment Review – Second Quarter 2016” beginning with the Market Review in Tab 1. He pointed out that active managers – particularly those who had prepared for an increase in interest rates by the Fed – continued to struggle, and that numerous variables (including the discrepancy between the Fed’s approach to interest rates and the positions taken by foreign banks, along with the ultimate impact of Brexit) continued to make market forecasting difficult. U.S. equities performed well, led by telecom, utilities and other value stocks; international equities struggled and long-term fixed income performed well. FIA’s market viewpoints (p. 9) remained unchanged.

V. Defined Benefit Plan - Second Quarter Governance Calendar & Performance Reviews

Mr. Polk reviewed the governance calendar (Tab I) noting that the town’s investment policy statement was sound and no changes were recommended. Mr. Cooke noted that there was an executed version of the policy statement that he would provide to FIA.

Mr. Polk proceeded to review the performance of pension plan investments (Tab II) pointing out areas of relative strength and managers who faced challenges in the second quarter. He noted that FIA believed that the fundamental strategies of all of the managers selected for the portfolio remained sound and that all managers were categorized as maintain.

Mr. Prell and Mr. Pomeroy asked Mr. Polk about the possibility of adding alternative investments pointing to the success of institutional investors (such as Yale University), and the Sub-Committee requested that FIA discuss the possible use of alternative investments at the next meeting. Mr. Polk agreed to provide information for review and discussion.

A brief review of the OPEB trust followed.

VI. Defined Compensation Plan – Second Quarter Governance Calendar & Performance Reviews

Mr. Polk conducted an investment review and a regulatory and legislative update referring to the materials in Section 1, Fiduciary Governance Calendar beginning on page 57, focusing on recent litigation over plan administration issues and regulations concerning the definition of a “fiduciary.” An overview of the defined contribution plan election options and their performance followed.

VII. Adjourn

Mr. Prell moved that the meeting be adjourned. Mr. Kelly seconded the motion and the meeting adjourned at 9:00 a.m.

Respectfully submitted,

Thomas F. Cooke
Administrative Chair