

## MINUTES - EMPLOYEE INSURANCE AND PENSION BENEFITS COMMITTEE

September 9, 2013

- 1) Call to Order: Chairperson Clarke Castelle called the meeting to order at 7:02 p.m. in Conference Room 2.
- 2) Roll Call: Members Present: Clarke Castelle, Jon Kehl, Terrence Sullivan, David Tatem and Mike Wilbur, John Slusarski and Dennis Doyle.  
Members Absent: Beth DelBuono, Jay Krusell, and Jane Ancona Siegel  
  
Staff Present: A. Harter and L. Jachimowicz  
Others present: M. Shegoski, A. Martella, D. Sears and D. McCluskey
- 3) Minutes: NOTE: There was a correction made to the minutes of May 20, 2013. The sentence “Ms. Sielman noted that many towns are slowly reducing the rate to 7% over a couple of years” was changed to “Ms. Sielman noted that many towns have been over the past couple of years slowly reducing the rate to 7%.” J. Kehl made a motion to accept the minutes of the May 20, 2013 as amended, seconded by T. Sullivan. The motion was passed unanimously.
- 4) Public Participation: None
- 5) Lockton: Dave McCluskey reported that the 2012-13 plan year for ended with a total positive margin of \$846,565. The Town portion equaled \$154,726 and the Board of Education equaled \$691,839. Mr. McCluskey reported that there was one large claim exceeding the \$175,000 stop loss amount and six additional claims that exceeded 50% of the Individual Stop Loss Limit. Blue Cross covered \$249,958 in claims exceeding the ISL. Mr. McCluskey reported that the first month of 2013-14 plan year was running high with a total negative margin of \$106,550. The Town had a positive margin of \$12,172 and Board of Education had a negative margin of \$121,142. No claims have exceeded 50% of the ISL level. It was noted that the projected claims for the 2013-14 plan year has an overall reduction of \$240,000 mainly due to plan design changes made as a result of Teachers’ contract negotiations.  
  
UBS: Marc Shegoski presented a summary of the market and economic outlook. David Sears and Ashley Martella reviewed the Pension Fund Performance summary for the year to date as of 8/31/13. For all three pension plans, the returns were 7.29% and above the custom benchmark of 6.47%. As of June 30, 2013 the account performance for the aggregate of the three plans are ahead of the benchmark for the calendar year-to-date, one, five, seven, ten year rolling periods, as well as since the inception of the plans but behind the benchmark for the quarter and three year period. The individual investment managers were reviewed. A. Martella reviewed the OPEB investment performance. The returns for the quarter ending June 30, 2013 were -1.58% and below the benchmark of -0.43%. The individual investment managers were reviewed. UBS recommended that the Town change the large cap value portfolio manager and reviewed alternative managers with the committee. Jon Kehl made a motion to move the large cap value equity portfolio from Blackrock Equity to Diamond Hill Large Cap A based on the research and recommendation of UBS. Terrence Sullivan seconded the motion. The motion passed unanimously.
- 6) Next Meeting: Date to be determined.
- 7) Adjournment: J. Kehl made a motion to adjourn, seconded by Dennis Doyle. The motion passed unanimously. The meeting adjourned at 8:42 p.m.

Respectfully submitted,

Ann Harter, Director of Finance