

MINUTES - EMPLOYEE INSURANCE AND PENSION BENEFITS COMMITTEE

March 29, 2011

The meeting was called to order at 7:05 p.m in Conference Room 1 by Chairperson McBride.

Members Present: S. McBride, M. Finkelstein, T. Sullivan, M. Wilbur, M. Casasanta, J. Krusell

Members Absent: J. Kehl, M. Puba Niro

Staff Present: A. Harter

Others Present: D. McClusky, M. Shegoski, A. Martella

Meg Casasanta made a motion to accept the minutes of the December 20, 2010 meeting as written. Mike Wilbur seconded. The motion was passed unanimously.

Public Participation: None

New Business:

Lockton Benefit Group: Dave McClusky reported that the Newington Blue Cross/Blue Shield plan is running with a positive margin of \$574,569 through February. The Town has a positive margin of \$29,682 and the Board of Education has a positive margin of \$544,887. Through February there were five large claims with one exceeding the \$150,000 Individual Stop Loss. Dave reported the 2011-12 Blue Cross projected renewal is coming in with an increase of 8.7% for the Town and 8.5% for Board of Education. This amounts to an increase of approximately \$216,713 for the Town and \$759,947 for the Board. Dave reported that the final 2011-12 renewal will be available by the end of April. He also gave a Health Care Reform update.

OPEB: Ann Harter reported that the Ordinance for Other Post Employment Benefits and the Trust were adopted by the Town Council on March 8th. The executed documents were signed and sent to Comerica and the trust is in effect. Marc Shegoski reviewed the Investment Objectives for the Trust.

UBS: Ashley Martella and Marc Shegoski reviewed Newington's plan performances for the 4th quarter of 2010. The quarter's results were positive with the Municipal, Administrative and Police pension plans up 6.58%, 6.66%, and 6.58%, respectfully. These returns were above their customized benchmark for the quarter and over all of the trailing periods indicated. The performances of the individual investment managers were mixed as some outperformed their respective benchmarks while the Intermediate Fixed Income, Small Company Value and Overseas Equity portfolios lagged on a relative basis. Marc & Ashley also reviewed year-to-date performance through February; showing the three plans (unaudited) up 4.38%. All managers, except for the Strategic Bond fund, were outperforming their respective indices through February. In addition to a review of markets and the three plans, UBS recommended adding the Templeton Global Bond Fund to the investment manager lineup for additional diversification purposes. This manager retains flexibility to invest in U.S. and non-U.S. sovereign and corporate debt, including debt issued by countries considered to be emerging markets. UBS also recommended taking a slightly more assertive posture by raising the Domestic Equity portion from 40% to 44%, raising the International Equity from 15% to 16%, and decreasing the Fixed Income target from 45% to 40%. To achieve this asset allocation, the individual funds were adjusted as follows:

| Assets Allocation | Current | Revised |
|----------------------------|---------|---------|
| Fixed: | 45.0% | 40.0% |
| Intermediate Fixed Income | 25.0% | 18.0% |
| Strategic Bond | 20.0% | 14.0% |
| International Bond Manager | | 8.0% |
| Equity: | 40.0% | 44.0% |
| Large Company Value | 11.0% | 12.0% |
| S & P 500 Index | 10.0% | 10.0% |

| | | |
|---------------------------|--------|--------|
| Small Company Growth | 4.0% | 5.0% |
| Small Company Value | 4.0% | 5.0% |
| Strategic Growth | 11.0% | 12.0% |
| Overseas Equity Portfolio | 15.0% | 16.0% |
| TOTAL | 100.0% | 100.0% |

After some discussion, Jay Krussel made a motion to accept the changes as recommended by UBS. The motion was seconded by Meg Casasanta and unanimously approved.

The next regular EIPBC meeting is tentatively scheduled for Monday June 27th @ 7:00 p.m.

Public Participation:

Anthony Chiaravolloti, 124 West Hartford Road asked about the actuarial assumptions of the Town pension fund and the unfunded liability. He commented on the unfunded federal and state pension plans.

Adjournment: M. Casasanta made a motion to adjourn, seconded by M. Wilbur. The motion passed unanimously. The meeting adjourned at 8:37 p.m.

Respectfully submitted,

Ann Harter,
Director of Finance