



# TOWN OF VERNON

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## *Pension Board*

### **Town of Vernon, Connecticut Pension Board Meeting Minutes September 24, 2015 - DRAFT**

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#### **In Attendance:**

John Lillis, Board Member  
Gary Ruchin, Board Member  
James Luddecke, Finance Officer

Alex Caravaca, Prudential  
Lazaro Guzman, Prudential  
Dawn Maselek, Assistant Town Administrator

Meeting called to order by Gary Ruchin at 7:05 p.m.

#### **Public Comment**

There were no members of the public in attendance.

#### **Approval of Minutes**

Motion to approve minutes September 10, 2014, by John Lillis, seconded by Gary Ruchin. All in favor.

#### **New Business**

Confirmed Lazaro Guzman is new contact at Prudential due to Marion Griffon's retirement in October 2014.

Funds moved from PIMCO to Core Plus/PIM (Prudential Investment Management). Concern from the Committee that funds are being moved into management funds. Advised by Lazaro that Vernon is not paying additional fees. PIM has been at the top of the charts. Gary Ruchin requested comparison to PIMCO for the same period. Lazaro will send fact sheet with the information requested. Asked when monies were moved Committee was advised mid-December 2014.

Regarding Commodities – need for things to settle down before looking at investing. Looking at funds there is a REIT component even though there is no specific real estate allocation. Lazaro would make a recommendation to invest.

John Lillis inquired about the Plan's position in anticipation of rising inflation.

August 2015 was a tough month with a quarterly .10% return but still close to long-term strategy. Police performed with a .26% increase in the last quarter. The asset allocation is a little more aggressive than the Town Plan. All funds are meeting criteria with exception of International Value/LSV Asset Management in Large Cap. Large Cap Growth/American Century Fund is on the watch list due to change in portfolio. Lazaro replaced Thornburg in the International market. Gary Ruchin requested information on how many assets are in Brazil in the International blend.

Markets remain difficult to predict. Pockets of economy are struggling but improving overall. Feds opted to not raise rates, this may be due to the issues in China. There may be more volatility in the equity market, but it still remains attractive. If rates do go up, we may see volatility in the bond portfolio, may see a drop in liability which is positive.

The January 2015 valuation will be at seven percent. John Lillis inquired as to whether the actuarial valuation will be split.

Dates for next meetings will be November 19, 2015 at 7:30, and second choice will be December 3, 2015.

Attempt to find third member for the next meeting. Will select dates for new year at next meeting, along with Chair.

**Old Business**

None

Motion to adjourn was made by Gary Ruchin, seconded by John Lillis. All in favor.

Meeting adjourned at 8:15 p.m.

**Next Meeting:** November 19, 2015 or December 3, 2015

Prepared by: Dawn R. Maselek, Assistant Town Administrator