TOWN OF VERNON **PENSION BOARD**

Town of Vernon, Connecticut Pension Board Regular Meeting DRAFT Minutes
November 17, 2010

The regular meeting was called to order by John J. Lillis at 7:10 p.m.

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In attendance
John J. Lillis, Board Member
Patricia Q. Neal, Board Member

Gary P. Ruchin, Chairman – joined the meeting at 7:20 p.m.

Town Liaison – Peter Graczykowski, Assistant Town Administrator
Marion D. Griffin, Prudential Retirement Services
Sally Margagnoni, Prudential Retirement Services

Public Comment
There were no members of the public in attendance.

Approval of Minutes
A motion to approve draft minutes from the special meeting of August 25, 2010 was made by Ms. Neal, seconded by Mr. Lillis, and passed unanimously.

New Business

- Ms. Griffin presented the Asset Allocation Review for the Town and Police Pension Plans with performance results as of September 30, 2010.
- Upon recommendation from Prudential Retirement, based on actual investment and utilization data, the Board discussed, considered and effected a reallocation of long-term investment strategy for both Town of Vernon and Police Pension Plans, as follows:
  - Mr. Lillis made a motion, Ms. Neal seconded, and the Board voted unanimously to reallocate the long-term investment strategy for the Town of Vernon Pension Plan from 60% in equity investment and 40% in fixed investments to 50% in equity investment and 50% in fixed investments, effective upon an official notice from the Town in the form of meeting minutes.
  - Ms. Neal made a motion, Mr. Lillis seconded, and the Board voted unanimously to reallocate the long-term investment strategy for the Police Pension Plan from 60% in equity investment and 40% in fixed investments to 55% in equity investment and 45% in fixed investments, effective upon an official notice from the Town in the form of meeting minutes.

- Ms. Griffin explained that Prudential Retirement was still awaiting the actuarial evaluation. The Board discussed the need for the actuary to be available to explain the valuation in detail, once completed.
- The Board discussed funds in the portfolio that were in watch status. Ms. Griffin will provide to the Board fund replacement options for certain funds prior to the next meeting.
- Mr. Graczykowski updated the Board on the Pension Plan amendments, required to close the plan to new hires in certain employee groups; bring the divisional appendices in conformance with the collective bargaining agreements; and reflect the correct employee group allocation in Board of Education divisions. Mr. Graczykowski informed the Board the January 1, 2008 Restatement of the Plan will incorporate all necessary amendments and revisions.
- Mr. Graczykowski updated the Board on the status of the implementation of Defined Contribution Plans for several employee groups.
- Mr. Graczykowski explained to the Board that both Defined Benefit and Defined Contribution Plan providers had confirmed the respective plans were exempt as government plans from the US DOL Interim Final Rule on Reasonable Contract or Arrangement under section 408(b)(2), Fee Disclosure (29 CFR 2550).

Old Business

- The Board followed up on the up-to-date investment data available online from Prudential Retirement. Mr. Graczykowski will forward the Board member information to Prudential Retirement to request PSW access for the Board.
- The Board followed up on its request for a more detailed explanation of the contract expense charges, which will be provided by Prudential Retirement.
- The Board followed up on its request for a quotation for potential provision of full package of employee communication and benefit processing services, as well as the Form 5500 preparation, which will be provided by Prudential Retirement.

Next Meeting

The Board set the schedule for the Calendar Year 2011 regular meetings at 7:00 p.m. at the Town Hall, 14 Park Place, 3rd Floor, Vernon, Connecticut, unless announced and posted differently, as follows: March 2, 2011, May 25, 2011, September 21, 2011 and December 7, 2011.

Motion to adjourn was made by Mr. Lillis at 8:45 p.m., seconded by Ms. Neal, and passed unanimously.

Prepared by

Peter Graczykowski, Assistant Town Administrator