

Pension and Employee Benefits Commission
Regular Meeting,
June 10, 2014 8:30 A.M.

Present: Allan Goldbecker-Chair, Marvin Gelfand, Reynolds Gordon, Chris Neubert, A. Dunsby (ex-officio).
Also Present: Grace Stanczyk

Absent: John Harrington, John Smith

Allan Goldbecker called the meeting to order at 8:40 a.m.

1. Marvin Gelfand moved and Reynolds Gordon seconded a motion to accept the meeting minutes of April 22, 2014. Motion unanimously carried.
2. After careful review of the pension allocations (attached to the minutes is the "Performance by Security including accrued interest" indicating what funds are used), the consensus of the commission is to keep the investments the same.

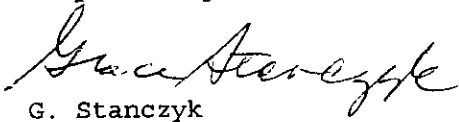
The Commission will receive a report of the Defined Contribution Plan when available.

3. The "NASRA Issue Brief: Public Pension Plan Investment Return Assumptions" shows an investment return assumption from 6.5% to 8.5%. Attaching the Appendix A showing State of Connecticut's high assumptions. The Town of Easton's retirement assumption rate is 7%.

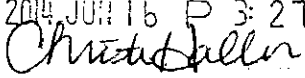
The next meeting for the commission is August 12, 2014.

Reynold Gordon moved and Marvin Gelfand seconded a motion to adjourn at 9:05 a.m.

Respectfully submitted


G. Stanczyk

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CHRISTINE HALLORAN
TOWN CLERK

Financial Design Management
PERFORMANCE BY SECURITY INCLUDING ACCRUED INTEREST

TOWN OF EASTON

Schwab # 5175-5408

From 12-31-13 To 05-30-14

Security	Average Capital	Realized Gains	Unrealized Gains	Interest Dividends	IRR + Fees	05-30-14 Market Value	Pct. of Assets
CASH AND EQUIVALENTS		[Fees]					
A.G. EDWARDS M.M.	0	0		0	0.00	0	0.00
CLEARING ACCOUNT	950	0		0	0.00	2,314	0.01
SCHWAB GOVT M.M.	1,692,077	-5,000		0	-0.30	1,600,596	9.93
SCHWAB M.M.	25	0		0	0.00	25	0.00
cash long	7,552	0		0	0.00	7,552	0.05
cash short	1,443	0		0	0.00	1,443	0.01
	<u>1,702,048</u>	<u>-5,000</u>		<u>0</u>	<u>-0.29</u>	<u>1,611,930</u>	<u>10.00</u>
						<u>310.00</u>	
MUTUAL FUND							
AMERICAN EUROPACIFIC GROWTH FUND	220,028	0	18,232	0	8.29	910,238	5.65
AMERICAN FD CAPITAL WORLD GROWTH & INCM CL	386,971	0	19,072	1,424	5.30	407,468	2.53
AMERICAN FD EUROPACIFIC GROWTH FD CLASS A	667,240	4,701	0	0	0.70	0	0.00
AMERICAN FD GROWTH FUND OF AMERICA CL A	1,072,489	11,952	0	0	1.11	0	0.00
AMERICAN FD WASHINGTON MUTUAL INV. FD	1,055,550	28,388	0	6,448	3.30	0	0.00
COLUMBIA ACORN INTL FD CL Z	571,412	0	21,055	0	3.68	592,466	3.67
DODGE & COX INTL STOCK FUND	868,076	0	59,297	0	6.83	927,374	5.75
FPA CRESECENT FD: INST SHRS	265,225	0	9,737	0	3.67	274,962	1.71
GATEWAY FUND CL A	772,489	0	10,175	3,061	1.71	785,725	4.87
GROWTH FUND OF AMERICA	355,094	0	36,487	0	10.28	1,476,059	9.15
HARTFORD CAPITAL APPR FUND CLASS A	1,428,672	0	35,816	0	2.51	1,464,488	9.08
OPPENHEIMER STEELPATH INC	623,039	0	10,580	18,213	4.62	651,832	4.04
PIMCO ALL ASSET ALL AUTHORITY: INST	910,867	0	41,688	5,607	5.19	958,162	5.94
PIMCO GLOBAL MULTI-ASSET	664,830	0	34,855	0	5.24	699,685	4.34
PIMCO TOTAL RETURN FD INSTL CL	1,342,228	0	32,747	11,842	3.32	1,379,161	8.55
RYDEX ENERGY FUND INV CL	600,227	0	52,014	0	8.67	652,241	4.05
T ROWE PRICE GLOBAL STOCK FUND	458,939	0	16,709	0	3.64	475,648	2.95
VIRTUS ALPHA SECTOR PREMIUM	1,315,880	0	58,801	0	4.47	1,374,681	8.53
WASHINGTON MUTUAL	357,041	0	33,788	0	9.46	1,481,253	9.19
	<u>13,936,298</u>	<u>45,041</u>	<u>491,053</u>	<u>46,596</u>	<u>4.18</u>	<u>14,511,441</u>	<u>90.00</u>

TOTAL PORTFOLIO 15,638,346 40,041 491,053 46,596 3.69 16,123,372 100.00
 310.00

The Total Portfolio realized gains includes a fee of -5,000

CASH & BONDS 18.55
 INTER'L 15.07
 WORLD 4.24
 GROWTH 5.48
 VALUE 2.15
 ALLOCATION 9.19
 CAP. APPREC. 9.08
 ENERGY & MLP 8.09
 HEDGED EQUITY 4.87
 13.40
 100.00

CASH & BONDS 18.55
 ALLOCATION 11.99
 HEDGED EQUITY 13.40
 EQUITY 56.06
 100.00

Appendix A: Investment Return Assumption by Plan

(Figures reflect the nominal assumption in use, or announced for use, as of December 2013)

Plan	Rate (%)
Alabama ERS	8.00
Alabama Teachers	8.00
Alaska PERS	8.00
Alaska Teachers	8.00
Arizona Public Safety Personnel	8.00
Arizona SRS	8.00
Arkansas PERS	8.00
Arkansas Teachers	8.00
California PERF	7.50
California Teachers	7.50
Chicago Teachers	8.00
City of Austin ERS	7.75
Colorado Affiliated Local	7.50
Colorado Fire & Police Statewide	7.50
Colorado Municipal	7.50
Colorado School	7.50
Colorado State	7.50
Connecticut SERS	8.00
Connecticut Teachers	8.50
Contra Costa County	7.25
DC Police & Fire	6.50
DC Teachers	6.50
Delaware State Employees	7.50
Denver Employees	8.00
Denver Public Schools	7.50
Duluth Teachers ²	8.00
Fairfax County Schools	7.50
Florida RS	7.75
Georgia ERS	7.50
Georgia Teachers	7.50
Hawaii ERS	7.75
Houston Firefighters	8.50
Idaho PERS	7.00
Illinois Municipal	7.50
Illinois SERS	7.75
Illinois Teachers	8.00
Illinois Universities	7.75
Indiana PERF	6.75
Indiana Teachers	6.75
Iowa PERS	7.50

Kansas PERS	8.00
Kentucky County	7.75
Kentucky ERS	7.75
Kentucky Teachers	7.50
LA County ERS	7.50
Louisiana SERS	8.00
Louisiana Teachers	8.00
Maine Local	7.25
Maine State and Teacher	7.25
Maryland PERS ¹	7.70
Maryland Teachers ¹	7.70
Massachusetts SERS	8.00
Massachusetts Teachers	8.00
Michigan Municipal	8.00
Michigan Public Schools	8.00
Michigan SERS	8.00
Minnesota PERF ²	8.00
Minnesota State Employees ²	8.00
Minnesota Teachers ²	8.00
Mississippi PERS	8.00
Missouri DOT and Highway Patrol	7.75
Missouri Local	7.25
Missouri PEERS	8.00
Missouri State Employees	8.00
Missouri Teachers	8.00
Montana PERS	7.75
Montana Teachers	7.75
Nebraska Schools	8.00
Nevada Police Officer and Firefighter	8.00
Nevada Regular Employees	8.00
New Hampshire Retirement System	7.75
New Jersey PERS	7.90
New Jersey Police & Fire	7.90
New Jersey Teachers	7.90
New Mexico PERF	7.75
New Mexico Teachers	7.75
New York City ERS	7.00
New York City Teachers	8.00
New York State Teachers	8.00
North Carolina Local Government	7.25
NC Teachers and State Employees	7.25

North Dakota PERS	8.00
North Dakota Teachers	8.00
NY State & Local ERS	7.50
NY State & Local Police & Fire	7.50
Ohio PERS	8.00
Ohio Police & Fire	8.25
Ohio School Employees	7.75
Ohio Teachers	7.75
Oklahoma PERS	7.50
Oklahoma Teachers	8.00
Oregon PERS	7.75
Pennsylvania School Employees	7.50
Pennsylvania State ERS	7.50
Phoenix ERS	8.00
Rhode Island ERS	7.50
Rhode Island Municipal	7.50
San Diego County	8.00
San Francisco City & County	7.58
South Carolina Police	7.50
South Carolina RS	7.50
South Dakota PERS ⁴	7.25
St. Louis School Employees	8.00
St. Paul Teachers ²	8.00

Texas County & District	8.00
Texas ERS	8.00
Texas LECOS	8.00
Texas Municipal	7.00
Texas Teachers	8.00
TN Political Subdivisions	7.50
TN State and Teachers	7.50
Utah Noncontributory	7.50
Vermont State Employees ³	8.10
Vermont Teachers ³	7.90
Virginia Retirement System	7.00
Washington LEOFF Plan 1	7.90
Washington LEOFF Plan 2	7.90
Washington PERS 1	7.90
Washington PERS 2/3	7.90
Washington School Employees Plan 2/3	7.90
Washington Teachers Plan 1	7.90
Washington Teachers Plan 2/3	7.90
West Virginia PERS	7.50
West Virginia Teachers	7.50
Wisconsin Retirement System	7.20
Wyoming Public Employees	7.75

1. The Maryland State Retirement Agency Board of Trustees reduced the assumption used for its PERS and Teachers plans from 7.75 percent to 7.70 percent, effective 6/30/13, as the first step of a four-year phased reduction to 7.55 percent.
2. The Minnesota Legislature, which sets in statute investment return assumptions used by public plans in the state, established the use of "select-and-ultimate" rates for investment return assumptions. These plans will use an assumed rate of 8.0 percent for five years, through FY 16, then return to 8.5 percent. For more information on select-and-ultimate rates, please see Actuarial Standards of Practice No. 27: http://www.actuarialstandardsboard.org/pdf/asops/asop027_145.pdf.
3. The Vermont retirement systems adopted "select-and-ultimate" rates in 2011; the rates shown reflect the single rates most closely associated with the funding results for the respective plans, based on their projected cash flows.
4. The SORS set the rate at 7.25% through FY 2018, after which it will rise to 7.50%.

¹ US Census Bureau, Annual Survey of Public Pensions, State & Local Data

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Chris Hall