

October 29, 2007

Pension Committee

Chairman Barbara Brown called the meeting to order at 5 p.m.

Present: Committee Members: Barbara Brown, John Allen, Rex Swain

Guest: Valerie Friedman

The Pension Committee reviewed the Pension investments and discussed the current investment policy. They agreed initially the funds had been invested so conservatively that it was not necessary to have a specific investor watch over the funds. It was felt "It was right when it was right" to be ultra conservative. As fiduciary, FNBL has charged little as continual review of the funds had not been necessary.

The Committee agreed that at this time investments should be more diversified. This would require due diligence in investing. They suggested that we hire a trustee to provide advice on investing the assets of the Fund. A Request for Proposal will be created and sent to FNBL, Webster, Union Savings Banks and John Hancock of Waterbury. The fiduciary must be capable of providing the administration of the Fund (i.e. monthly pension payments), as well as the investments. Parameters of the investment policy should be provided. It was suggested it should all be in mutual funds or ETF's.

Barbara Brown will provide "boiler plate" language for the RFP and an investment policy statement. She will include the size of the Fund, its annual outpay, and information that it is a Defined Benefit Plan for a Municipality. The Boards of Selectmen and Finance will be informed of these plans.

John Allen nominated Rex Swain to serve as Chairman of the Pension Committee. Barbara Brown seconded the motion. Motion unanimously passed. Barbara was thanked for her past efforts as Chairman.

Valerie Friedman was asked to assist the Committee with the investments. Rex Swain will contact Pension Consultants regarding their fees.

John Allen moved to adjourn the meeting at 5:35 p.m.

Respectfully submitted,

Kathy Gollow

Selectman's Assistant