

FILED

EAST LYME PENSION COMMITTEE

MEETING of July 18, 2019 July 24, 20 19 AT 10:07 AM/PM

MINUTES

Brande Horner TIC
EAST LYME TOWN CLERK

PRESENT: M. Nickerson, A. Johnson, D. Connolly, P. Goulekas, J. LaFond and J. Wohler

ABSENT: M. Stevens, B. Hogan, B. Lucovich

ALSO PRESENT: Mr. J. McArw R. Macomb (at 3:40 pm) Representative Northstar Wealth Partners, Ethan Stuart, Intern with First Selectman

First Selectman Nickerson called the meeting to order at 3:10 pm.

Due to traffic issues on I95, committee deferred discussion on Investment Portfolio.

MOTION by: D. Connolly seconded by J. LaFond to approve minutes of April 11, 2019 meeting. Passed.

Discussion took place regarding the new Actuarial Tables adopted in August 2018 by the Society of Actuaries. The impact of the changes to the funding of the plan was discussed. It is estimated the prior year's change in liability to be \$878,345. Using a ten year amortization it would increase the town's annual contribution by \$116,875. The increase in normal cost is estimated to be \$23,451.

MOTION by: J. LaFond seconded by J. Wohler if it is mandatory to implement the change if we have flexibility in implementation committee would like to discuss further. Passed.

Ms. Johnson reported there was one Board of Education Secretary Retirement and that we are expecting a Public Works employee to submit notice to retire by the end of this month.

MOTION by: D. Connolly, second by: J. LaFond to pay USI invoices in the amount of \$500. Passed.

Leading into discussion on Investment Portfolio, J. LaFond questioned high risk, declining rates on investments and building cash to a comfortable level.

J. McArw of Northstar Wealth Partners noted the companies now making new highs in the marketplace are McDonald's, Coke, P&G now waiting for the big tech companies to make new highs. In our current portfolio the Invesco Money Market account currently has \$2.1M. This is an interest bearing account and currently is 8.9% of the portfolio

recommending we bring this to 15% in the next 12 to 18 months. The current annual outlay for Pension Payments is approximately \$450,000.

Ms. Macomb discussed making improvements to the plan reducing the fees from .35% to .20%. The estimated savings based on 6/30/19 contract market value would be \$49,228. We currently have 16 funds in the portfolio and would need to move funds to ones that are within the new fee structure. A mapping was done from current funds to new funds with similar composition, history and to meet our investment goals. (see attached)

MOTION by: J. LaFond, second by to make changes to the portfolio funds as presented by Northstar Wealth Partners. Passed.

MOTION by: D. Connolly, second by: P. Goulekas to transfer \$465,000 to Oppenheimer Government Money Market from Putnam High Yield. Passed

MOTION by J. LaFond, second by D. Connolly: To adjourn meeting at 4:05 pm

Respectfully submitted,
For the Committee:

Anna M. Johnson

TOWN OF EAST LYME

1. Current Defined Benefit Plan investment platform:

- MassMutual Life Insurance Company administers the contract
- Monitors the investment options available
- 232 mutual fund options currently available
- Processes monthly retirement payments
- Tax reporting and reconciliation annually
- Current MassMutual fee .35%

2. Proposed reduction in contract fee:

- .15%
- Savings of \$49,228 based on June 30, 2019 contract market value

3. Current Plan Investments:

- 16 Funds
- See Morningstar Snapshot
- 8 current options are not available with new contract fee structure. However, we are able to choose from the available 232 options to maintain the current asset allocation
- Proposed changes are as follows:

Oppenheimer Government Money Market	→→	Invesco Oppenheimer Government Money Market
Loomis Sayles Bond	→→	Franklin Strategic Income
Franklin Conservative Allocation	→→	MFS Lifetime 2020
Franklin Moderate Allocation	→→	MFS Lifetime Income
T. Rowe Price Equity Income	→→	ClearBridge Appreciation
Eaton Vance Atlanta SMID-Cap	→→	Select T. Rowe Price/Frontier Mid Cap Growth
MFS International Value	→→	BlackRock Global Dividend Portfolio
Invesco Oppenheimer Intl Growth	→→	BlackRock Global Dividend Portfolio

Attachment 7/18/2019
Pension Committee