

EAST LYME PENSION COMMITTEE  
SPECIAL MEETING of February 11, 2021  
MINUTES

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

ABSENT: M. Stevens

First Selectman Nickerson called the meeting to order at 3:00 pm. via Zoom

Mr. Nickerson introduced there were two proposals by committee members LaFond and Goulekas. He turned the discussion over to the two members. See attached correspondence dated January 26, 2021.

Part two of the discussion was relative to attached correspondence dated February 8 2021.

MOTION by J Wohler, second by B Hogan to implement the Advance Notice and Forecasting recommendations presented and discussed.

Discussion on USI DB Retirement Plan Actuarial Experience Study Proposal.

MOTION by J LaFond, second by P Goulekas to accept the proposal not to exceed \$15,000.

MOTION by J LaFond, second by P Goulekas to adjourn meeting at 3:27 pm.

Respectfully submitted,  
For the Committee:

*Anna M. Johnson*

FILED

*Feb 12, 20 21 AT 9:55 (M/PM)*  
*Bronck Johnson ATC*  
EAST LYME TOWN CLERK

January, 26, 2021

**To:** Mark Nickerson – First Selectman East Lyme, CT

**From:** Jim Lafond, Paul Goulekas – Pension Committee Members

**Re:** Proposed Changes to Pension Committee Protocols

**ISSUE:** Our current pension asset manager, Principle Wealth Partners, needs to follow a more focused Pension Committee protocol for a process related to any investment decisions, Fund allocation changes, etc., leading to a committee vote.

**BACKGROUND:** The East Lyme Finance Director sets the agenda for Pension Committee meetings, which always includes a presentation by Principle Wealth Partners (PWP). PWP provides an investment overview, investment performance, an analysis of market conditions, and often proposes an Investment Fund allocation change. The proposed Investment Fund allocation changes are not provided in advance of the meeting and are usually addressed at the tail end of the meeting with little discussion by the committee before going to a vote. We are of the opinion that a more deliberate process should be employed by the Pension Committee to conduct the consideration and vote on Fund allocation changes.

**RECOMMENDATION:** We recommend that the Pension Committee provide PWP with a set protocol for initiating, debating and voting on any changes to the Investment Fund allocations. Specifically, we propose the following:

- 1) Any PWP proposed Fund allocation change, raising cash, etc. must be provided to the Pension Committee at least a day in advance of the meeting date/time.
- 2) Establish a protocol whereby PWP is given time to fully explain any proposed Fund allocation changes, then allow the Pension Committee ample time to consider and debate the proposed Fund allocation changes and then go to a vote.

While our Pension Committee protocol proposal does not represent a significant change to the current process, we do believe that it establishes to PWP our intent that the Pension Committee wants more control over the investment/Fund allocation process and ample discussion time before allowing a committee vote.

**Next Steps:** With your approval of this proposal, we will send in writing our requested Pension Committee protocol change to Jay McAcraw of Principle Wealth Partners and also set up a conference call to discuss it with him.

We would be happy to discuss this further as you require.

Regards, Jim Lafond, Paul Goulekas

CC: Anna Johnson – Finance Director

February 8, 2021

**To:** Mark Nickerson, Anna Johnson– 1st Selectman, Finance Director

**From:** Jim Lafond, Paul Goulekas– Pension Committee Members

**Re:** Proposal to Refine Pension Committee Cash Planning Process

**ISSUE:** The Pension Committee, working with UCI and Principle Wealth Partners (PWP) needs more refined, forward looking cash needs projections to better manage the pension fund's cash position.

**BACKGROUND:** The Pension Committee currently tracks quarterly historical cash inflows and outflows. UCI works with Principle Wealth Partners (PWP) and the Pension Committee to manage total Pension Fund assets to assess cash infusions necessary to fund the net present value of all known future pension obligations using a 7% discount rate. The Pension Committee lacks quarterly forward assessments of required cash needs to fund known upcoming retirements and current retirement cash obligations. Moreover, the Pension Committee's cash position discussions often combine the need for required cash to fund known obligations with the desire to either increase or decrease the cash position for strategic investment purposes.

**Proposal:** The Pension Committee should adopt a plan to produce quarterly cash needs on a rolling four-quarter basis as well as annual 5-year cash needs projections, especially as the pension eligible population is aging. We believe that the Pension Committee should take this issue up, along with the asset allocation protocol proposal at this week's February 11 meeting.

We believe that this refinement is an extension of processes already in place and should help us achieve more clarity in setting cash positions each quarter.

Regards, Jim Lafond, Paul Goulekas