

FILED

July 16 2021 AT 10:50 AM/PM EAST LYME PENSION COMMITTEE  
MEETING of July 15, 2021  
MINUTES  
EAST LYME TOWN CLERK

PRESENT: M. Nickerson, A. Johnson, J. Wohler, P. Goulekas, J. LaFond (by telephone), Traci Santos, D. Hall

ABSENT: M. Stevens, D. Connolly, B. Hogan

ALSO PRESENT: J. McAraw, J. Hannigan from PWP and R Macomb by telephone

First Selectman Nickerson called the meeting to order at 3:06 pm.

Selectman Nickerson began the meeting by introducing Traci Santos our new Human Resources Manager.

MOTION by: J. LaFond, second by: P. Goulekas to approve the April 15, 2021 regular meeting minutes. PASSED

MOTION by: J. Wohler, second by: P. Goulekas to approve the June 10, 2021 special meeting minutes with the amendment to add D. Hall to being present. PASSED.

Representatives from Principle Wealth Partners (PWP) discussed the Portfolio following the outline attached labeled 4-a. Ms. Macomb began the discussion highlighting fund balances and performance trends. Mr. McAraw then discussed the market performance and the recommendations for changes to the portfolio investments as noted on the outline (see #3). He also provided the committee with an information sheet on the new funds.

MOTION by: J. LaFond, second by: D. Hall to approve the portfolio changes as recommended by PWP as per #3 on the attached outline. PASSED.

PWP representatives provided the committee a draft Investment Policy. The committee agreed to have a separate meeting to discuss the policy.

PWP representatives left the meeting after their report.

MOTION by: J. LaFond, second by: D. Hall to enter into executive session to discuss personnel matters to include all members of the committee noted as present. PASSED. The committee exited executive session without taking any action.

The committee determined it would be in the town's best interest to conduct an RFP for Investment Management Services for the plan portfolio. It has not been done since 2009. A list of potential firms was reviewed as well as a plan for the process. The previous RFP was reviewed. The committee agreed that members LaFond and Goulekas would

meet with the Finance Director to finalize an RFP, then forward to the members to critique.

It was noted that with the investment portfolio changes voted on at the meeting that we were moving to the Asset-Liability Management previously recommended and discussed.

MOTION by: J. Wohler, second by: P. Goulekas to approve the USI invoices in the amount of \$13,575 to be paid from the plan assets.

MOTION: by: J. Wohler, second by: P. Goulekas to adjourn meeting at 4:20 pm

Respectfully submitted,  
For the Committee:

Anna M. Johnson  
Director of Finance

TOWN OF EAST LYME  
INVESTMENT COMMITTEE  
JULY 15, 2021

1. **PLAN VALUE:** 12/31/2020 - \$28,877,073  
5/31/2021 - \$31,668,959

2020 Contributions: \$1,585,277  
2020 Distributions: \$ 967,342

2. **CASH BALANCE:\***

Invesco Opp Govt Money Market: 12/31/2020 - \$2,792,417 (9.67%), 5/31/2021 \$3,532,615 (11%)

Tactical Cash – funds needed for Retiree Distributions and Plan Expenses \$1,436,078 (per Anna's calculation from last meeting)

Strategic Cash – percentage of asset allocation for safety and investment purposes, consider short-term bond fund: MassMutual Short Duration R4 - \$2,096,537

3. **INVESTMENT RECOMMENDATIONS:\***

Sell: American Century Equity Income A - 13% international exposure hurt performance (\$2.1mm)  
Buy: Virtus Allianz Income & Growth A – Balanced fund, reduce risk

Sell: MFS Lifetime 2020 – static portfolio, underperforming (\$2.4mm)  
Buy: 1/2 Virtus Allianz Income & Growth A (total - \$3.3mm), 1/2 MFS Lifetime Income Fund R3 (total - \$4.7mm)

Buy: MassMutual Short Duration Bond Fund - \$2,096,537 estimated from Money Market balance

4. **WATCH LIST:**

Nuveen Santa Barbara Dividend Growth – management tenure  
T. Rowe Price Mid-Cap Growth

*\*Please note: all dollar values are estimated using 5/31/2021 data and balances*

**5. FEE DISCUSSION:**

- Mutual Fund Fees – Weighted average for the portfolio is estimated at .93%
- Revenue Sharing % of mutual fund fees paid to MassMutual - .44% from the .93%
- Plan Sponsor record-keeping and plan services fees .19% (paid from the .44%)
- Investment Advisory Fee .25% (paid from the .44%)

**6. INVESTMENT POLICY STATEMENT DISCUSSION:**