

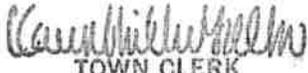
EAST LYME PENSION BOARD
MEETING NOVEMBER 17, 2022
MINUTES

RECEIVED FOR RECORD
EAST LYME, CT

PRESENT: K. Gervais, S. Spencer, D. Hall, B. Curry, P. Levanti, B. Hogan at
3:00 pm

2022 NOV 22 P 3:26

ABSENT: K. Seery, J. Wohler


TOWN CLERK

ALSO PRESENT: C. Rowllins, M. Fratini, D. Woodmansee

Acting Chairman Hall called the meeting to order at 3:00 pm.

MOTION: P. Levanti, second: D. Hall to approve the regular meeting minutes
of August 18, 2022. PASSED

David Woodmansee of USI Consulting Group began presentation with Review of 2022 Valuation. Discussion around losses realized in 2022 will most likely result in an increase of Actuarially Determined Contribution (ADC) increasing in 2023 and the 4 subsequent years while this loss gets recognized. The Board requested that USI provide a quote for preparing projections on the ADC based upon the current market valuation of the funds, as it is materially lower than the valuation used in the 2022 Valuation report, which was based upon January 1, 2022 market valuation. The Board asked USI to project valuations with lowered discount rate of 6% in addition to the 6.5% currently used in projections and valuations as the Board would like to evaluate lowering the discount rate to 6%.

Mr. Woodmansee suggested that the Town update the Plan Document as he believes that it has not been updated since 2012. He also suggested that we put in place procedures to ensure that all retirees or their beneficiaries verify that they are alive on a regular basis. Mr. Curry indicated that in the towns where he served as Finance Director they would send "Are you Alive?" letters annually and that the State of Connecticut sends they every 3 months.

Fiducient and USI both suggested that the Town evaluate all plan benefit activities as a way to free up Finance staff resources. The transition from Empower to Fiducient as Financial Advisor and US Bank as custodian necessitated increased involvement from Town staff. USI can provide a quote for those services and a cost/benefit analysis should be conducted.

Chris Rowllins of Fiducient Advisors began the discussion of the third quarter report. He started with the quarterly Fiduciary Governance Calendar focusing on the third quarter items: Investment Review, Municipal Landscape Update and Annual Actuarial Review.

Matt Fratini of Fiducient Advisors then discussed the Portfolio Results for the quarter ending September 30, 2022 and also presented a month end report for October. The BlackRock Strategic Income Opportunities Fund K has been placed in the "Discuss" category as one of the portfolio managers,

Bob Miller, is retiring. PGIM Global Total Return R6 has been placed on "Watch" status as the CIO, Gregory Peters was added to the strategy amidst severe underperformance of the fund. The rapid rise in interest rate levels means that the investment portfolio could take a more conservative investment approach. At the next meeting Fiducient will suggest any changes to the asset allocation that they feel is appropriate, given either a 6 % or 6 ½% discount rate assumption.

The Board requested that Fiducient provide a quote for performing a review of the Town's Defined Contribution plans currently in place. The Board also requested that the Finance Director and the Human Resource Director discuss with the First Selectman if they feel it is appropriate to include the DC plans under the purview of the Pension Board or if it should be handled by Town Staff. If it were to be included in the Board's mandate, an amendment to the Ordinance would be required.

Discussion regarding employee payment review. Further discussion with K. Seery needed at a later date.

Discussion on format and items to include on annual report to the Board of Selectman required in the ordinance. Discussion to include past three years of expenses on report.

MOTION: S. Spencer, second: B. Curry to approve Fiducient Invoice \$10,000. PASSED

MOTION: S. Spencer, second: B. Curry to approve US Bank July, August, and September Invoices in the amount of \$833.33 each. PASSED

MOTION: B. Hogan, second: P. Levanti to review and approve 2023 Meeting Calendar. PASSED

MOTION to adjourn: D. Hall, second: K. Gervais at 5:15 pm

Respectfully submitted,
For the Committee:

Kevin C. Gervais Jr., Director of Finance