

EAST LYME PENSION BOARD
MEETING MAY 18, 2023
MINUTES

RECEIVED FOR RECORD
EAST LYME, CT

2023 JUN -6 A 11:15

PRESENT: J. Wohler, K. Seery, K. Malave, S. Spencer, D. Hall, B. Curry, P. Ledyard, C. Seifert at 3:00 pm.

B. Curry
TOWN CLERK

ABSENT: K. Gervais

ALSO PRESENT: M. Stevens, S. Spencer, C. Rowllins and M. Fratini

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

Chairman Comment: Welcome new pension board member, Conrad Seifert. Chairman Wohler thanked Bob Curry for presenting an update to the Board of Selectmen on April 19, 2023, (Note: K. Seery requests that this update in the spring be an annual presentation by the Pension Board to the Board of Selectmen.)

The Board discussed the current Pension policies in general and then specifically reviewed the following:

1. Amortization of gains/losses – currently gains/losses are amortized over 5 years within the actuarial calculations. To better smooth out the impact of gains/losses over the life of the plan, we looked at extending this to 10 years. It was noted that most plans reflect 10, 12 or 15 years.

MOTION: D. Hall, second: B. Curry to approve the change in the amortization of gains/losses from 5 years to 10 years effective as soon as possible. PASSED 5-0.

Liability Interest Rate (Discount Rate) – there was discussion about potentially changing this rate from 6.5% to a lower rate. It was noted that Old Saybrook (7.0%), Ledyard (6.25%) and Stonington (6.375%) currently have rates as noted. Given the current national economic position and an interest in gathering more information of the effect of the change in the amortization of gains/losses from 5 years to 10 years on the actuarially determined contribution" this discussion was tabled to the next meeting.

C. Rowllins from Fiducient Advisors on median rate for a municipality in CT is 6.875%. Given the current fixed income environment, 6.5% appeared reasonable to them.

Chris Rowllins of Fiducient Advisors began the discussion of the Pension Plan's first quarter 2023 report. He started with the quarterly Fiduciary Governance Calendar focusing on the April items.

Matt Fratini of Fiducient Advisors then discussed the Portfolio Results for the quarter ending March 31, 2023, and presented a month end report for April. Also, CIO issue at PGIM Global has been resolved.

Kevin Seery left the meeting at 3:20 pm.

Maryanna Stevens joined the meeting at 3:30 pm.

S. Spencer presented that we have three new retirees including Cathy Wilson, Director at Senior Center and her position also been filled. There will be two police officers, one retired in March and the other will be retiring in August. The police department also has two people who are in the police academy to back fill the two officers.

The Board reviewed and discussed the 3 proposals received from USI, Milliman and Hooker & Holcombe to provide Pension Plan Administrative Services to retirees. These are back-office services to supplement the efforts of the Town's Finance Department to operate the Plan on a weekly and monthly basis.

C. Rowllins and M. Fratini mentioned that USI and Hooker & Holcombe are merging.

MOTION: D. Hall, second: B. Curry to approve sixteen thousand dollars for implementation of Pension Plan Administrative Service to be implemented with USI as the Finance Director sees fit based on current Administrative Support needs. PASSED 4 – 0 with 1 abstention.

The Board discussed the current Pension Plan document and noted that the last review of the plan for legal updates was in 1997. M. Stevens advised that she got a very preliminary quote from outside legal counsel that such a review could cost up to \$10,000. J. Wohler asked the finance director to obtain three quotes of legal fees to review our current pension plan documents for the August 17, 2023, meeting.

MOTION: B. Curry, second: D. Hall to approve Fiducient Invoices \$10,300 for the first quarter and \$10,300 for the second quarter per our contract. Also, approved US Bank Invoices from November 2022 through March 2023, \$833.33 each month. PASSED 5-0.

It was noted that the next scheduled quarterly Pension Board meeting is set for August 17, 2023, at 3:00 pm at East Lyme Town Hall.

MOTION to adjourn: J Wohler, second: D. Hall at 4:35 pm. PASSED 5-0.

Respectfully submitted,
For the Committee:
Kevin C. Gervais, Jr., Director of Finance