

**TOWN OF STONINGTON
RETIREMENT BOARD
February 15, 2022**

The Stonington Retirement Board held a regular meeting on this date at 9:00 a.m., in the Stonington Police Department Community Room. Patti Burmahl, Retirement Board Chair, hosted this meeting. Board members who attended were: Patti Burmahl – Chairman, Elliott Clarke, Craig Esposito, Tim O'Brien and Gary Shettle. Also, in attendance were Devon Francis, Partner and Senior Consultant from Fiducient Advisors; Scott Boulton, Consultant from Fiducient Advisors; Stephen Chykirda, Consulting Actuary from Hooker and Holcombe; James Sullivan, Finance Director for the Town of Stonington and Donna Devlin, HR Coordinator for the Town of Stonington.

The meeting was called to order at 9:01 a.m.

Approval of Meeting Minutes from November 30, 2021:

A motion was made by Mr. O'Brien, seconded by Mr. Clarke and Mr. Esposito to approve the November 30, 2021 minutes. No corrections or changes are necessary. All members voted in favor. The Minutes were unanimously approved. There was no discussion. Handouts are available in Administrative Services.

Update – Wells Fargo/Principal Transition: Ms. Francis provided an update on the Wells Fargo to Principal transition. Trading restrictions begin February 18, 2022. Fiducient Advisors will be voting on trade recommendations today. The Town's trust and custody accounts(s) will migrate to Principal and things should be up and running on Tuesday, February 22, 2022. Fiducient Advisors are familiar with the new administrative requirements and have the new Principal forms.

Fiduciary Governance Calendar:

Capital Market Assumptions and Asset Allocation Modeling

Ms. Francis discussed the Fiduciary Governance Calendar and provided an overview of the capital markets. The portfolio is appropriately positioned to achieve our actuarial return assumption.

Suggested Portfolio Adjustments

Ms. Francis made multiple recommendations for reallocating funds among existing fund options, to posture the portfolio to take advantage of the current market environment, as shown on the attached Trade Recommendation Worksheet. A discussion ensued. Ms. Burmahl made a motion, seconded by Mr. Clarke to approve the changes proposed by Ms. Francis shown on the spreadsheet attached to these meeting minutes with all members voting in favor. The motion carried.

Review of Portfolio Performance – DB Plan:

Ms. Francis reviewed the portfolio's performance. There are no concerns about any of the managers. Everyone is on maintain status. Over the course of the last ten years, all of the long-term numbers are well ahead of the actuarial return assumption.

DC Fiduciary Governance Calendar:

Practice & Policy Focused

Mr. Boulton discussed moving to VOYA as a single vendor to take advantage of strong fee savings. He will review in further detail at the Retirement Board Meeting on May 24, 2022.

Mr. Boulton presented the Fiduciary Governance Calendar. They are going through a Practice and Policy Focus quarter. He discussed pending legislation. There are no immediate changes for us. Ms. Burmahl asked him to elaborate on ESG funds. A discussion ensued. Mr. Boulton discussed who is a fiduciary along with the "Five Key Duties" and best practices of a fiduciary.

Review Portfolio Performance – DC Plan:

Mr. Boulton reviewed the fourth quarter 2021 executive summary and presented the 457 Plan and Town of Stonington 401(a) Plan investment reviews. All managers are on maintain status except the 401(a) Plan VOYA Index Portfolios, which have no status. No recommended changes at this time

Update – COLA for Pension Plan:

Ms. Burmahl reviewed the timeline for the approval of the July 1, 2022 COLA for the Town of Stonington Retirement Plan (DB Plan) that was approved by the Retirement Board at the November 30, 2021 meeting. Approval is required by the Board of Selectmen and a town meeting which will be scheduled hopefully in May.

Adjourn

A motion was made by Mr. O'Brien, seconded by Mr. Esposito, to adjourn the meeting. All were in favor. Meeting adjourned at 9:46 am.

Respectfully submitted,



Patti Burmahl
Chairman

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