TOWN OF STONINGTON
RETIREMENT BOARD
May 24, 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, Tim O’Brien and Gary Shettle. Absent board members were: Craig Esposito. Also, in attendance were Bruce Barth, Esq. from Robinson+Cole; Devon Francis, Partner and Senior Consultant from Fiducient Advisors; Scott Boulton, Consultant from Fiducient Advisors; 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 9:00 a.m.

Approval of Meeting Minutes from February 15, 2022:
A motion was made by Mr. O’Brien, seconded by Mr. Clarke, to approve the February 15, 2022 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.

Defined Benefit Plan:
Ms. Francis discussed the governance calendar, which focused on a fee review. Weighted average investment management fees are 0.44%, custodial fees are 0.03%, and Fiducient charges a flat dollar fee with an inflationary escalator so the all-in costs associated with the pension investment program are 0.55% which are reasonable and competitive. Ms. Francis also explained the funding status of the plan, reviewed the Capital Markets and presented the portfolio and manager review. She made a recommendation to replace Lazard International Equity R6 with Dodge & Cox International due to Lazard International Equity R6 altering their investment process in the last 6 months or so making decisions based on market sentiment rather than fundamental research. A discussion followed. A motion was made by Mr. Clarke, Seconded by Mr. O’Brien, to terminate Lazard International Equity R6 and replace them with Dodge & Cox International with all members voting in favor. The motion carried.

Defined Contribution Plans:
Mr. Boulton discussed the benefits of consolidating to VOYA as a single vendor including strong fee savings, moving from a mutual fund format to annuity format with little fund menu restructuring and enhanced account access for employees. A discussion ensued. Ms. Burmahl requested meetings be set up with VOYA to get additional information. Atty. Barth summarized saying The Town is interested in consolidating Plan vendors for the Defined Contribution Plans. The Town is leaning toward hiring Voya but needs to conduct thorough due diligence to look at all aspects of the impact to participant experience and plan administration. The quotes from the two vendors show that plan consolidation will reduce plan administrative expenses so it is recommended that the administration of the plans be consolidated in one vendor. Based on the additional due diligence, the Retirement Board will review the go-forward Plan at the next Retirement Board meeting.
401(a) Plan – Vesting of Town Contribution for Elected Officials:
Ms. Burmahl explained the Town has three full-time elected officials; First Selectman, with a two-year term and Town Clerk and Tax Collector with four-year terms. The current vesting schedule for the 401(a) plan has employees vested in the Town’s contributions on the completion of five years of service. Therefore, elected officials would need to be elected for multiple terms to be vested. Ms. Burmahl suggested changing the vesting schedule for the full-time elected officials in order to attract candidates with a discussion following. A motion was made by Mr. O’Brien, seconded by Mr. Clarke, for elected officials to vest in the 401(a) Plan upon completion of one complete term of elected office for the Town Clerk and Tax Collector and upon completion of two consecutive terms of elected office for the First Selectman. All members voted in favor. The motion carried.

Adjourn:
A motion was made by Mr. O’Brien, seconded by Mr. Clarke, to adjourn the meeting. All were in favor. Meeting adjourned at 10:14 am.

Respectfully submitted,

[Signature]

Patti Burmahl
Chairman

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