

**TOWN OF STONINGTON
RETIREMENT BOARD
November 30, 2021**

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 and Tim O'Brien. Absent board members were: Gary Shettle. Also, in attendance were Bruce Barth, Esq. from Robinson+Cole; Stephen Chykirda, Consulting Actuary from Hooker and Holcombe; 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 9:01 a.m.

Approval of Meeting Minutes from August 17, 2021:

A motion was made by Mr. Esposito, seconded by Mr. Clarke to approve the August 17, 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.

Review of Portfolio Performance – DB Plan:

Ms. Francis discussed the Fiduciary Governance Calendar, provided an overview of the capital markets, reviewed the portfolio's performance and made recommendations. Her recommendations include adding MFS Intl International Equity and ARGA Emerging Markets Value Intl within the International Equity asset class to further diversify the international portfolio to achieve value and growth compliments in both areas. A discussion ensued. Mr. O'Brien made a motion to approve the addition of the two international equity funds and the reallocations indicated in Ms. Francis's slide (attached), seconded by Mr. Esposito with all in favor. No opposed. The motion carried.

Review of Actuarial Valuation – DB Plan:

Mr. Chykirda's overview of the July 1, 2021 Actuarial Valuation included a presentation on the purpose of the Valuation. He provided the Town Pension Plan results then reviewed the asset returns, smoothing method and assumptions changes. A discussion followed including questions regarding how the amount of retirement sick and vacation time payouts in addition to the increased salaries effected our liability this year. Mr. O'Brien asked Ms. Burmahl to look into the salary increases. Mr. Chykirda also discussed moving the current assumption rate down from 6.375% to 6.25%. A discussion ensued. The board members were not supportive of making that change. Ultimately, we are in good shape. It's just a matter of where we want to be with our portfolio.

Review, Discussion and Action on COLA for DB Plan:

Mr. Chykirda reviewed Town Pension COLA assumptions with corresponding accrued liability and annual contribution increases amortized over 20 years based on a 6.375% investment return assumption. The COLA assumptions were based on months retired as of July 1, 2021 with a maximum increase of 10%. The last ad hoc COLA was effective July 1, 2014. A discussion followed. Mr. Esposito made a motion to have the Retirement Board approve a COLA to be effective July 1, 2022 at the 1/12 of 1% capped at 10%, seconded by Mr. Clarke. All were in favor. The motion carried. The recommendation will be presented to the Board of Selectmen for

their approval and the Board of Selectman will need to send the Retirement Board's recommendation to Town meeting for final approval.

Review Portfolio Performance – DC Plan:

Mr. Boulton presented the Third Quarter 2021 Quarterly Investment Review of the DC Plans. He reviewed the Fiduciary Governance Calendar then presented the third quarter 2021 Executive Summary as well as the Town of Stonington 457 Plan and 401(a) Plan Investment Reviews. There are no recommended fund changes at this time.

Discuss Current Vendor Structure – DC Plan:

Mr. Boulton discussed lowering costs by consolidating 457 and 401(a) plan vendors. If the Town consolidated to VOYA, there would be no project fee and less administration as well. A discussion followed regarding the timing of the consolidation (as the Town is unable to engage with this work over the next few months given other priorities) and benefit of looking at other vendors. Atty. Barth asked if we should look at others since VOYA appears to be the clear choice. VOYA would move to a mutual fund platform following the consolidation and we would also request ongoing education with employees. Mr. O'Brien made a motion to consolidate vendors on the Defined Contribution Plan from Nationwide and VOYA to VOYA subject to final terms being acceptable to the Retirement Board. Mr. Boulton will provide an update at the next Retirement Board meeting.

Approval of Meeting Dates for 2022

Ms. Burmahl provided meeting date options for 2022. A discussion followed. Attendees agreed upon February 15, 2022, May 24, 2022, August 30, 2022 and December 6, 2022. Mr. Esposito made a motion to approve the meeting dates seconded by Mr. Clarke. All were in favor. The motion carried.

Adjourn

A motion was made by Mr. Clarke, seconded by Mr. O'Brien, to adjourn the meeting. All were in favor. Meeting adjourned at 10:57 am.

Respectfully submitted,



Patti Burmahl
Chairman

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