



**Special Pension Board Meeting
Joint Meeting with the Board of Finance**

**Virtual Meeting
May 17, 2021 – 7:00 p.m.**

Unapproved Minutes

ORANGE, CONN
TOWN CLERK'S OFFICE
RECORDS & RECORDS
2021 MAY 18 PM 3:09
Mark D. O'Neil
TOWN CLERK

ATTENDANCE

Pension Board Members Present: Chairman Eric Hendlin, Mitch Goldblatt, Barbara Miller, and Rebecca Harlow

Pension Board Members Absent: Jeffery Fernandes

Board of Finance Members Present: Chairman Kevin Houlihan, Vice Chairman James Leahy, Patricia Romano, P.J. Shanley, and Joseph Nuzzo

Board of Finance Members Absent: Kevin Moffett

Staff: John Cifarelli, Finance Director; Audrey Geer Asst. Finance Director, Paul Mongillo, IT Director; Ann Denny, Recording Secretary, Deborah Satonick, Recording Secretary for Board of Finance, Chris Kelly, OGAT

Guests: Chris Kachmar, Fiducient, Michelle Boyles, Milliman,

Joint Meeting Minutes with the Board of Finance

1. **Call to Order**

Board of Finance Chairman Kevin Houlihan called the May 17, 2021 Board of Finance and Joint Pension Board meeting to order at 7:06 p.m., and Pension Board Chairman Eric Hendlin called the May 17, 2021 Pension Board and Joint Board of Finance meeting to order at 7:07 p.m. Due to the State & Federal emergency the meeting was held using the zoom technology.

2. **Introductions**

Board of Finance Chairman Kevin Houlihan introduced Finance members present on-line James Leahy, Patricia Romano, P.J. Shanley, and Joseph Nuzzo, also Secretary Deborah Satonick, Finance Director John Cifarelli, and Assistant Finance Director Audrey Geer. Pension Board Chairman Eric Hendlin introduced Pension Board members present on-line Mitch Goldblatt, Barbara Miller, and Rebecca Harlow.

3. **Public Participation**

None

New Business

4. Presentation by Michelle L. Boyles of Milliman

Actuary Michelle Boyles from Milliman gave a detailed presentation of the current Police and Employee Pension and Retirement Income Plans as of January 1, 2021. She reviewed membership in the plans, there are three categories 1) active members which are those people currently employed by the Town, 2) members in pay status which is everyone receiving a pension benefit including beneficiaries, and 3) terminated members which includes everyone else not actively employed but who will be collecting and becoming a member in pay status. The 2020 rate of return was 13.96% on a Market Value Basis. To help smooth the ups and downs in the plan's investment returns the investment gains and losses are smoothed out over five years. This is the Actuarial Value of Assets which is better to use for budgeting the Town's contributions to the plan. There has been very good market performance and investment returns are up. Ms. Boyles encourages staying at the 6.25% interest rate assumption. The Town has reduced the discount rate by 25 basis points over the last 4 years. This has caused increased budget contributions, but the Town takes a conservative approach. The new mortality rate tables based on Pub-2010 has increased contributions as well.

5. Presentation by Chris Kachmar of Fiducient

Mr. Kachmar gave a firm update, Dimeo Schneider is now Fiducient Advisors. Mr. Kachmar reviewed the asset allocation by total dollars allocated and percentage of allocation and how they compared with target allocations. He noted diversification in asset allocation is important in the portfolio. He presented the quarterly investment results for the first quarter ending March 31, 2021. Markets have been resilient due to stimulus money from the Cares Act and The American Rescue Plan. When looking at the Manager Performance Overview the Pension Board looks at the longer term of 5 to 7 years and compares them to benchmarks to see how they are doing instead of focusing on the 1-year return. Members of the Finance Board wanted to understand the fee schedule of what the plan costs and Chairman Hendlin explained the Town pays 48 basis points to the fund managers, 3 basis points to the custodian Wells Fargo, and 10 basis point to Fiducient, so the total cost to the Town in managing the plans is 61 basis points.

6. Adjournment of Joint Meeting

Eric Hendlin made a motion to adjourn the joint meeting at 8:43 p.m. Barbara Miller seconded the motion. All voted in favor and the motion passed.

The Pension Board took a 10 minute recess and reconvened online

Special Pension Board Minutes

1. Call to Order

Chairman Eric Hendlin called the May 17, 2021 Special Pension Board meeting to order at 8:51 p.m. and welcomed Rebecca Harlow to the board. Due to the State & Federal emergency the meeting was held using the zoom technology.

2. Public Participation

None

3. Review and Approve Minutes from February 18, 2021

Barbara Miller made a motion to approve the February 18, 2021 Pension Board minutes as presented, seconded by Mitch Goldblatt, all voted in favor and the motion passed.

7. Quarterly Investment Results from March 31, 2021

Mr. Kachmar did a yearly review of the portfolio expenses. Expenses are reasonable and no action is needed by the board. Mr. Kachmar noted there are signs of recovery in the markets and the disruption in the economy due to the pandemic was unprecedented. Under Asset Allocation everything is on maintain no funds are on watch and everything is in good working order.

8. Pension Plan Actuarial Review

Chairman Henlin asked if there were any questions for Ms. Boyles from her presentation to the Finance Board. There were none. Ms. Boyles does not recommend lowering the rate from 6.25% to 6.0%, she will bring the 6% calculations to the August meeting to show the Board the numbers. Ms. Boyles did ask if the board wanted to take any action and switch to layered amortization when the 10- year threshold is reached. Chairman Hendlin stated that they will make the motion in the year it occurs.

Next meeting is August 19th and hopefully in person.

9. Adjournment

Barbara Miller made a motion to adjourn the meeting at 9:27 p.m. Mitch Goldblatt seconded the motion. All voted in favor and the motion passed 4 – 0.

Respectfully Submitted,

Ann Denny, Recording Secretary