

Pension Board Meeting
Town of Orange, Connecticut
Virtual Meeting
November 12, 2020 – 7:00 p.m.

Approved Minutes

ORANGE TOWN
TOWN CLERK'S OFFICE
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Mick J. Givens

ATTENDANCE

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

Board Members Absent: Jeffery Fernandes

Staff: John Cifarelli, Finance, Director; Chris Kelly, OGAT; Ann Denny, Recording Secretary

Guests: Chris Kachmar, Fiduciary Investment Advisors; Andrew Kramer, Mutual of America; Pamela Giunti, Mutual of America; Gina Acri, Wells Fargo

1. **Call to Order**

Chairman Eric Hendlin called the November 12, 2020 Pension Board meeting to order at 7:06 p.m. Due to the State & Federal emergency the meeting was held using the zoom technology.

2. **Public Participation**

None

3. **Review and Approve Minutes from August 20, 2020**

Barbara Miller made a motion to approve the August 20, 2020 Pension Board minutes as presented, seconded by Mitch Goldblatt, the motion passed unanimously.

4. **Review and Approve Meeting Schedule for 2021**

Mitch Goldblatt made a motion to approve the 2021 Pension Board Meeting Dates as presented, seconded by Barbara Miller, the motion passed unanimously.

5. **Presentation by Mutual of America – Pam Giunti/Andrew Kramer**

Mr. Kramer presented the annual review of Investment Options and spoke on the current market. The biggest growth is in the S & P 500 Large Cap with companies like Google, Amazon, and Facebook, while airlines, travel, and restaurants had the biggest losses. People have been unsure about what to do during the upcoming election but the safest thing to do regarding investing is to stay the course, riding out the downswing usually will result in the best outcome for investors. He noted because this is a retirement account people are investing every two weeks through their paychecks, dollar cost averaging is a helpful strategy for leveraging investments. The list of Account Investment Funds has not changed at all.

Mutual of America Investment Funds are better than average compared to Average Morningstar Ratings. The investment fees that Mutual of America has are the same that clients have. The Fidelity Contrafund Portfolio has done very well and there is a large percentage of assets in this fund.

Ms. Giunti reviewed the benchmark report, there 190 active participants with plan assets of \$22,532,296. There is no charge for recordkeeping and total plan cost comparison of the Town's plan is .81% compared to 1.01% for the average plan, in dollars the Town's plan cost \$182,142 compared to the average cost of \$227,887. Total Plan assets including the 457B are \$23,436,000 when the account reaches \$25,000,000 the separate account pricing structure will drop from .45 percent to .35 percent. She noted we are getting closer to tier 2 pricing. The new platform is coming out in the first quarter of 2021, which is a net asset value platform which means we will be offering mutual funds instead of the group annuity product. There will be a major technology upgrade with a new plan administrator portal, a new participant internet portal which will include manual and automatic portfolio rebalancing, there will be mobile apps added, and 66 funds to choose from. The Town can narrow down the funds and a hold harmless indemnification policy is included. Chairman Hendlin wanted to know if the board needed to take any action to accept the funds being offered before the plan rolls out and if there is to make sure the board has time to place it on their agenda because the board only meets quarterly. Mr. Kramer assured him there is time to make changes. This year in person visits were not possible but employees are welcome to call anytime to go over the plan.

6. **Presentation by Wells Fargo – Gina Acri**

Ms. Acri reported that the transition for the account will happen in the third quarter next year. Accounts will be moving over in waves right now they are concentrating on record keeping. Trust and custody accounts will be moving over at the same time, currently scheduled for Labor Day Weekend 2021. The operations center is not changing, the same people will be working on the account. The one thing that will change is if statements are accessed online you will be going through the principal's portal not Wells Fargo.

7. **Quarterly Investment Results from September 30, 2020 – Chris Kachmar**

Mr. Kachmar reported that the merger is going on ahead of schedule. In comparing CT Municipal Pension Plans the health and direction of the town's plan is ahead of other municipalities in CT. Over the three years ending in June 2019 the average return was 7.9% the Town of Orange was 8.2%. There are no action items tonight. Global Equities were up 8% on average in the third quarter. At the next meeting we will do a full asset allocation review. Under asset allocation American Beacon Large Cap Value Instl is still on watch and Templeton Instl Foreign Smaller Companies Fund Adv was moved to maintain. The total plan is up over 5.6% in the third quarter. The Manager performance overview for the quarter is as follows: BrandywineGLOBAL is not in the top quartile but improving performance recently, American Beacon Large Cap Value has been middle of the road, Harbor Capital has done pretty well in the top decile, The small and midcap index has been in the top as well, Dodge & Cox and EuroPacific have been in the top in the international group, Templeton now off watch has been a top performer as well, Cohen & Steers has almost doubled since inception.

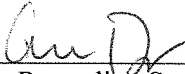
Follow up on Old Business

- John Cifarelli had the Town Attorney send a letter to the union president regarding representation on the board and there was no problem releasing the position, but he has not heard back from the union president. They were going to check with union members. John will follow up on it.
- The board would still like to have a joint meeting with the Board of Finance, but it probably will not be able to happen until after the first of the year with the budget season coming up. Mr. Cifarelli suggested Michelle from Milliman do a presentation to the Board to show them how the two plans are doing and why the changes were made, and show the Finance Board how we are doing against other municipalities in the state.
- Mitch Goldblatt reported that The Board of Selectmen recently passed the new police contract, but nothing effected either plan.

8. Adjournment

Barbara Miller made a motion to adjourn the meeting at 8:38 p.m. Mitch Goldblatt seconded the motion. All voted in favor and the motion passed 3-0.

Respectfully Submitted,



Ann Denny, Recording Secretary