



Town of Simsbury

933 HOPMEADOW STREET

SIMSBURY, CONNECTICUT 06070

Retirement Plan Sub-Committee Regular Meeting Minutes - ADOPTED

Wednesday, February 5, 2020 at 7:30am
Main Meeting Room, Town Hall, 933 Hopmeadow Street

I. Call to Order

The meeting was called to order at 7:30 a.m. Sub-Committee members Phil Schulz, Derek Peterson, Kevin Prell, Jennifer Batchelar, and Sean Askham (by phone) were present. Maria Capriola, Town Manager, and Amy Meriwether, Finance Director, were present from Town staff. Chris Kachmar and Tyler Polk were present for Fiduciary Investment Advisors. Others in attendance included Rob Pomeroy, Board of Finance chair.

II. Review of Minutes

a) November 18, 2019

Mr. Schulz made a motion made to approve the minutes of November 18, 2019. The motion was seconded by Jennifer Batchelar. All were in favor and the motion passed unanimously.

III. Pensions Plans & OPEB Trust Fourth Quarter 2019 Performance Reviews and Fiduciary Governance Update

Mr. Kachmar discussed FIA's upcoming merger with DiMeo Schneider. There will be no change to the organization or those that serve the town. The merger is expected to close at the end of March.

Mr. Kachmar reviewed the pension section of the document entitled "Town of Simsbury Retirement Plans – Executive Summary – Fourth Quarter 2019." He noted that calendar year 2019 was a good year with asset pools up 19% – 19.5%. Future asset growth is expected to come at a modest rate. He said that market valuations are full; not overvalued, but something to be mindful of. The group discussed the impact of the Coronavirus on market trends. Mr. Kachmar said that international managers are aware of the situation, and are expecting near term ripples to economic activity. However, the longer term effect is not expected to be as impactful. FIA will send out additional documentation regarding the virus from their managers after the meeting.

The group discussed pension funding, noting that the state pension plans are about 75% funded. Simsbury is in a healthy funded status. Mr. Kachmar said that the integration of Wells Fargo with Principle continues, with system integration expected for May 2021. Client assets are expected to be migrated in late 2021. Mr. Kachmar reviewed the total plans performance, noting that the quarter to date results were about a 5.6% return. Two managers, Van Eck and Templeton, are on a "watch" status. All other managers are on a status of "maintain."

Mr. Kachmar also reviewed the OPEB section of the document, noting that the quarter to date performance has resulted in about a 5.3% return. The group discussed the alternative options for the OPEB trust fund. Mr. Kachmar reviewed the estimated costs from other banking institutions. He noted that Schwab will manage assets at no base cost, while we are currently paying \$1,100 - \$2,000 with Raymond James. However, if the Town chose to use active management with Raymond James, it would be cost prohibitive. The group discussed the options, and decided to make no change in custodian as the cost to change providers is so minimal.

IV. Defined Contribution Plans Fourth Quarter 2019 Performance Reviews and Fiduciary Governance Update

Mr. Polk provided an update on the recent RFQ responses for recordkeeping services and noted that a sub-group is scheduled to meet in March to discuss the results. Mr. Polk reviewed the defined contribution section of the document entitled “Town of Simsbury Retirement Plans – Executive Summary – Fourth Quarter 2019.” He spoke briefly about the Secure Act that was signed into law on 12/20/19 with an effective date of 1/1/20. He reviewed the historical balances by investment, specifically focusing on T. Rowe Price as it has the largest number of participants. Mr. Polk said that the MSF Value fund is still on “watch”; all other managers are on a status of “maintain.”

V. Banking options for the OPEB Trust

This item was discussed under agenda item III above.

VI. Adjourn

Mr. Schulz made a motion to adjourn the meeting at 8:40 a.m. Mr. Peterson seconded the motion, and it passed unanimously.

Respectfully submitted,

Melissa A.J. Appleby
Deputy Town Manager