



Town of Simsbury

933 HOPMEADOW STREET

SIMSBURY, CONNECTICUT 06070

Retirement Plan Sub-Committee **Regular Meeting Minutes - Approved**

Monday, May 3, 2021 at 8:00 a.m.
Via Zoom video conference

I. Call to Order

The meeting was called to order at 8:02 a.m by vice chair Derek Peterson. Sub-Committee members Sean Askham, Thomas Potter, Brian Watson, and Phil Schulz were present. Maria Capriola, Town Manager, Amy Meriwether, Finance Director, and Melissa Appleby, Deputy Town Manager, were present from Town staff. Chris Kachmar and Tyler Polk were present for Fiducient Advisors. Others in attendance included Board of Finance member Art House.

II. Review of Minutes

a) February 1, 2021

The minutes of February 1, 2021 were approved as presented by consensus.

III. Pensions Plans & OPEB Trust First Quarter 2021 Performance Reviews and Fiduciary Governance Update

Mr. Kachmar reviewed the pension section of the document entitled "Town of Simsbury Retirement Plans – Executive Summary – First Quarter 2021." He reviewed the rebranding that recently occurred with the firm, with the new name of Fiducient Advisors. He noted that there are no changes in service, investment strategy, or personnel.

Mr. Kachmar said that the market has been strong due to the stimulus, and noted that global growth has accelerated. He pointed to large equity returns over the one-year period, which is a byproduct of the stimulus and increased vaccine distribution. He said U.S. equities have done well, noting that early on in the pandemic the technology sector, which is more "pandemic proof," did well, and now there is more of a return to a focus on the financial and industrial sectors.

Mr. Kachmar said that this quarter's review is focus on fees. He reviewed the exhibit on page 15, indicating that the fees are reasonable and appropriate for a municipal portfolio. He also reviewed the asset allocations on page 16, noting that Templeton continues to struggle. Discussion ensued regarding Templeton's "watch" status. Mr. Peterson made a motion to recommend to the Board of Finance the elimination of Templeton Global Bond from the pension plan line-ups and reallocation of those monies across the three remaining fixed income managers (MetWest, Western, and BlackRock). Mr. Askham seconded the motion. All were in favor and the motion passed unanimously.

Mr. Kachmar noted that the plans were up 2.2% for the quarter as compared with the benchmark of 2.0%, and that they are up 35.7% over the one-year period as compared with the benchmark of 33.4%.

Mr. Kachmar also reviewed the OPEB section of the document, noting that there is some minor rebalancing forthcoming. He said the plan was up 3.1% for the quarter as compared with the benchmark of 2.6%, and that it is up 35.3% for the one-year period as compared with the benchmark of 34.8%.

IV. Defined Contribution Plans First Quarter 2021 Performance Reviews and Fiduciary Governance Update

a) Performance Review

Mr. Polk reviewed the defined contribution section of the document entitled “Town of Simsbury Retirement Plans – Executive Summary – First Quarter 2021.” He said that the recent RFP for recordkeeping resulted in more competitive fees. Out of the 0.54% weighted average plan cost, 0.159% is for recordkeeping fees. He also noted that our fees are lower than the benchmark.

Mr. Polk said that we moved to “fee levelization” when we transitioned from MassMutual to ICMA, so that all participants are paying the same percentage for recordkeeping no matter what their investment strategy is.

Mr. Polk reviewed the historical balances starting on page 33. He said that there are no recommended changes in managers at this point, although Eaton Vance is on “watch” status.

b) DC Plan Investment Policy

Ms. Appleby said that the policy had not been updated since 2014, and that this draft was put into our current policy format. Ms. Capriola said that there were a few suggested edits based on the 2019 MOU that was signed between the Boards of Selectmen, Education, and Finance. Mr. Askham made a motion to recommend to the Board of Finance the revised DC Plan Investment Policy as presented. Mr. Potter seconded the motion. All were in favor and the motion passed unanimously.

c) Fee Benchmarking

Covered under Section IV, part a.

V. Adjourn

Mr. Schulz made a motion to adjourn the meeting at 8:57 a.m. Mr. Askham seconded the motion, and it passed unanimously.

Respectfully submitted,

Melissa Appleby
Deputy Town Manager