



Town of Simsbury

933 HOPMEADOW STREET

SIMSBURY, CONNECTICUT 06070

Retirement Plan Sub-Committee Regular Meeting Minutes

Monday, February 7, 2022 at 8:00 a.m.
Via Zoom video conference

I. Call to Order

The meeting was called to order at 8:03 a.m by Derek Peterson. Sub-Committee members Sean Askham, Brian Watson, Amber Abbuhl, Bert Helfand, 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 Lisa Heavner.

II. Review of Minutes

- a) **May 3, 2021**
- b) **December 6, 2021**

The minutes of May 3, 2021 and December 6, 2021 were approved as presented by consensus.

III. Housekeeping Items

a) Appointment of Chair for 2022

Mr. Askham made a motion to appoint Mr. Peterson to the position of chair. Mr. Schulz seconded the motion. All were in favor and the motion passed unanimously.

b) Appointment of Vice Chair for 2022

Mr. Peterson appointed Mr. Askham as vice chair; there was consensus on this appointment from the committee members.

c) Pension Experience Study

The group agreed by consensus to add this item to the agenda. Mr. Peterson said that there has been some discussion regarding a potential experience study; he said that the best practice is to conduct a study every five years, and it has been ten years since we have done this. He recommended that the plan pay for this study. Mr. Kachmar confirmed that there are sufficient funds available to support this. There was consensus among the committee that this study should occur, and also that a gain/loss study should be explored.

Mr. Helfand made a motion to recommend to the Board of Finance that we do an experience study, and that the study be paid for out of the pension fund. Mr. Askham seconded the motion. All were in favor and the motion passed unanimously.

IV. Pensions Plans & OPEB Trust Fourth 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 – Fourth Quarter 2021.” He said that there was more stress on the market in January as investors are evaluating concerns driven by the news headlines. He noted, however, that the macro outlook is strong.

Mr. Kachmar said that there were mixed results in the fourth quarter, with fixed income coming in flat and equities coming in higher due to a year-end rally. He said that the portfolios are in good order, and Fiducient will dig deeper into the asset allocation using the newly released 2022 capital market assumptions. Discussion ensued regarding the interest rate assumption, including the difference between Fiducient’s forecast and the recommendation of Milliman, the Town’s actuary.

Mr. Kachmar noted that the plans were up 4.1% for the quarter as compared with the benchmark of 3.5%. Mr. Kachmar also reviewed the OPEB section of the document. He said the plan was up 4.6% for the quarter, which matched the benchmark.

V. Defined Contribution Plans Fourth Quarter 2021 Performance Reviews and Fiduciary Governance Update

Mr. Polk reviewed the defined contribution section of the document entitled “Town of Simsbury Retirement Plans – Executive Summary – Fourth Quarter 2021.” He said that the 2014 version of the Investment Policy Statement is included in the packet; he is not recommending any substantive updates to the policy. Mr. Polk provided an overview of proposed legislation, including the RISE Act, which is currently in the House of Representatives, and the Build Back Better Act, which passed the House and is currently in the Senate. The RISE Act seeks to expand access to retirement plans, while the Build Back Better Act would result in some limitations such as limiting post-tax contributions and increase reporting requirements for higher balance accounts.

Mr. Polk reviewed the historical balances and performance overview, starting on page 75. He said that the target date funds are performing well, and the index funds are tracking as expected.

VI. Adjourn

Ms. Abbuhl made a motion to adjourn the meeting at 9:07 a.m. Mr. Helfand seconded the motion, and it passed unanimously.

Respectfully submitted,
Melissa Appleby
Deputy Town Manager