



Town of Simsbury

933 HOPMEADOW STREET

SIMSBURY, CONNECTICUT 06070

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

Wednesday, September 4, 2019 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. by Chairman Chris Kelly. Sub-Committee members Cheryl Cook, Phil Schulz, Tom Potter, and Derek Peterson were present. Town and Board of Education staff members in attendance included Burke LaClair, School Business Manager; Maria Capriola, Town Manager; Melissa Appleby, Deputy Town Manager; and Amy Meriwether, Finance Director. Chris Kachmar was present for Fiduciary Investment Advisors.

II. Review of Minutes

a) May 1, 2019

The minutes of May 1, 2019 were approved as presented by consensus.

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

Mr. Kachmar reviewed the pension section of the document entitled "Town of Simsbury Retirement Plans – Executive Summary – Second Quarter 2019." He noted that through June, we were in the midst of the longest expansion we have ever had. However, the magnitude of growth has been mild, so the next downturn may not be as severe as in the past. Mr. Kachmar said that the market saw strong returns in the second quarter, and that cuts to interest rates are likely. Under legislative updates, he said that the actuarial society has developed mortality tables specifically for public plans, and that this will likely result in an increase in liabilities.

Mr. Kachmar reviewed the performance overview on pages 31-36; all managers are on a status of "maintain." He said that fees are running at about 0.51%. He also noted that at the next meeting, FIA would like to discuss the ways in which we account for inflation.

Mr. Kachmar also reviewed the OPEB section of the document. The group discussed potentially exploring alternative banking options for the OPEB fund. FIA will conduct some research and come back to the group with informal pricing for other institutions.

Mr. Kachmar reviewed the fund performance on page 45 of the document. He also noted on page 56 that fees are running at about 0.19%.

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

Mr. Kachmar reviewed the legislative update on page 63 of the document entitled “Town of Simsbury Retirement Plans – Executive Summary – Second Quarter 2019.” This included a discussion on the Secure Act, which provides for changes for defined contribution plans. This legislation passed the House but is pending in the Senate. Mr. Kachmar also reviewed the update on lawsuits on page 64; he noted that lawsuits almost always center on fees.

The group discussed the stable value account, and a continued desire to phase out that option.

Mr. Kachmar reviewed the performance overview included on pages 71-74; all managers are on a status of “maintain.”

V. Defined Contribution Recordkeeping Request for Information (RFI) Update

Ms. Meriwether provided an overview of the memo that was included in the packet materials. This included a status update on the RFI for recordkeeping services related to the defined contribution plan. She noted that the Board of Finance had requested additional information regarding the number of participants in the plan, as well as projected savings. At their next meeting, the Board of Finance will discuss whether the RFP should be conducted in-house or through FIA.

Mr. Peterson made a motion to recommend to the Board of Finance that an RFP be conducted for recordkeeping services related to the DC plan. Ms. Cook seconded the motion. All were in favor and the motion passed unanimously.

VI. Adjourn

The meeting adjourned at 8:43 a.m.

Respectfully submitted,

Melissa A.J. Appleby
Deputy Town Manager