

Town of Simsbury

933 Hopmeadow Street Simsbury, Connecticut 06070

Board of Finance Agenda Submission

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March 17, 2022

Trish Munroe
Town Clerk
Simsbury, CT 06070

Dear Ms. Munroe:

A **Regular Meeting** of the Board of Finance will be held at **5:45 PM**, on **Tuesday, March 22, 2022**, in the Main Meeting Room of the Simsbury Town Hall, 933 Hopmeadow Street, Simsbury, Connecticut.

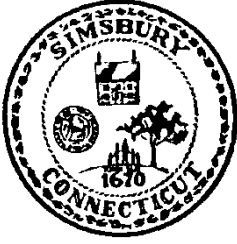
The Agenda is as follows:

1. Call to Order
2. Pledge of Allegiance
3. Presentation: Board of Selectmen 2022/2023 Budget
4. Pension Investment Assumption Change (Page 1)
5. Adjourn

Lisa Heavner
Chairman

Board of Finance Meeting Schedule:

3/23/22, 4/5/22, 4/6/22, 4/19/22, 4/20/22, 5/17/22, 6/14/22, 7/19/22, 8/16/22, 9/20/22, 10/18/22, 11/15/22, 12/13/22, 1/17/23



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Board of Finance Agenda Item Submission Form

1. **Title of Submission:** Pension Investment Assumption Change

2. **Date of Board Meeting:** March 22, 2022

3. **Individual or Entity Making the Submission:**
Board of Finance

4. **Action Requested of the Board of Finance:**

If the Board of Finance would like to formally adopt the pension investment interest rate assumption at 6.5%, the following motion is in order:

Move, effective March 22, 2022, to approve a pension investment interest rate assumption of 6.5% for the fiscal budget year 2022/2023.

5. **Summary of Submission:**

At the Board of Finance meeting on February 15, 2022, presentations were made by the Town's actuary, Milliman, and the Town's pension investment advisor, Fiducient. During these presentations there were discussions regarding the pension plans investment interest assumption rate. Fiducient had forecasted an annualized return of 6.9% based on a 20-year outlook. Milliman also prepared an annualized return forecast based on a 20-year outlook and results were projected at 6.7%.

Based on the above information, Milliman has provided guidance to the Board of Finance that they are comfortable with the keeping pension interest rate assumption at the current 6.625% or reducing the the rate down to 6.5%.

The Board of Finance has expressed interest in setting the pension investment interest rate assumption at 6.5% for the fiscal year 2022/2023 budget.

6. **Financial Impact:**

Annually required contributions (ARC) per plan are itemized below for fiscal budget year 2022/2023:

General Government Plan - \$1,397,000

Police - \$917,000

Board of Education - \$1,365,000

OPEB - \$194,000

7. **Description of Documents Included with Submission:**

None