

**MINUTES OF THE TOWN OF FARMINGTON RETIREMENT BOARD MEETING
HELD ON JANUARY 25, 2021**

PRESENT:

Board Members

Peter Mastrobattista
Rob Huelin
Michael Ziebka
Joan Valenti
Kyle Cunningham
Geoffrey Porter
Stephen Egan
David Wlodkowski
Joshua Allen

Other:

Jenn Castelhana
Christopher Rowllins
Joseph Swetcky
Anna Savastano

NOTE: This meeting was held online through ZOOM.

CALL TO ORDER

The meeting was called to order at 4:32 p.m. by Mr. Mastrobattista.

PUBLIC COMMENTS

There were no members of the public present.

REVIEW AND ACTION ON THE MINUTES OF THE MEETING OF DECEMBER 2, 2020

Ms. Valenti moved to approve the minutes of the Retirement Board meeting of December 2, 2020. Mr. Wlodkowski seconded the motion, and the minutes were approved as presented.

JULY 1, 2020 ACTUARIAL VALUATION

Ms. Castelhana of the actuarial firm Milliman presented the results of the July 1, 2020 actuarial valuation. Some of the highlights she presented were:

As of July 1, 2020, there were 282 active members; 286 members in pay status; and 166 terminated members.

The rate of return of the investment portfolio on a market value basis was 2.40%.

On July 1, 2020, the market value of assets stood at \$94.4 million while on an actuarial basis the assets were valued at \$90.9 million.

Using Milliman's June 30, 2019 Capital Market Assumptions, the expected long-term annualized median return for the portfolio is 6.6%, whereas the assumed rate of return for the valuation is 7%.

On July 1, 2020, the Plan's funded ratio was 68.5% which is a decrease of 0.6% from the previous year.

The Actuarially Determined Contribution for the Fiscal Year 2021/2022 is \$4,566,437 which is an increase of \$189,977, from Fiscal Year 2020/2021.

Ms. Castelhana also presented the impact to the plan valuation if the interest rate assumption was reduced from 7.00% to either 6.875% or 6.75%.

A decrease to the interest rate assumption from 7.0% to 6.875% would reduce the funded ratio to 67.6% and increase the Actuarially Determined Contribution to \$4,733,789.

A decrease to the interest rate assumption from 7.0% to 6.75% would reduce the funded ratio to 66.7% and increase the Actuarially Determined Contribution to \$4,903,591.

After discussion, Ms. Valenti made a motion to reduce the interest rate assumption from 7.0% to 6.875%. The motion was seconded by Mr. Wlodkowski and approved unanimously.

There being no further business, Mr. Wlodkowski made a motion to adjourn the meeting. The motion was seconded by Ms. Valenti and approved. The meeting adjourned at 5:00 p.m.

Respectfully submitted,

Joseph Swetcky, Jr.
Director of Finance

Approved by the Retirement Board on February 25, 2021.