

**MINUTES OF THE TOWN OF FARMINGTON RETIREMENT BOARD MEETING
HELD ON JUNE 15, 2023**

PRESENT:

Board Members:

Keith Vibert
Art Marques
Bruce Polsky
Kyle Cunningham
Rob Huelin
Talia Stigliano
Bob Brochu

Other:

Christopher Rowlins
Joseph Swetcky

CALL TO ORDER:

The meeting was called to order at 4:30 p.m. by Mr. Vibert.

REVIEW AND ACTION ON THE MINUTES OF THE MEETING OF MARCH 29, 2023

Mr. Marques moved to approve the minutes of the Retirement Board meeting of March 29, 2023, as presented. Mr. Polsky seconded the motion. There was no discussion. The minutes were approved as presented.

INVESTMENT PERFORMANCE REVIEW

Mr. Rowlins presented the investment results for the quarter ended March 31, 2023, and for the month of April 2023. He noted that for the quarter plan investments earned a return of 3.6% versus the benchmark which returned 4.2%. Fiscal year to date the investments returned 4.0% and the benchmark returned 4.9%. On March 31, 2023, the market value was \$97.0 million. Other highlights presented by Mr. Rowlins included:

- By asset class, fixed income returned 3% for the quarter, which matched its benchmark. Domestic equities returned 3.9% versus their benchmark which returned 7.2 percent. The Eaton Vance Atlanta Capital SMID fund had an off quarter returning 1.0% while its benchmark returned 6.5%. International equities had a strong quarter, returning 8%, which was 1.1% better than the benchmark. Real estate was down for the quarter, returning -3.8%.
- FIA's Manager Status on all funds was "Maintain".
- The "Estimated Fee Analysis" shows that on an annual basis the investment fees were .41%. This is exclusive of actuarial fees and FIA's investment advisory fees.

- 92.4% of the investment portfolio is considered liquid. The remaining 7.6% is the real estate component of the portfolio which is considered semi-liquid.
- For the month of April, the investments returned .8%, which is in line with the benchmark's 1% return. On a fiscal year basis, the portfolio return was 4.8%, while the benchmark was 5.9%.

CONSIDER AND TAKE ACTION ON EXPERIENCE STUDY PROPOSAL

The Board reviewed a proposal from the Plan Actuary to undertake an experience study of the Plan. The study would evaluate the assumptions used by the actuary when preparing the plan valuation each year. The assumptions that would be evaluated include:

- Investment return
- General wage increases
- Inflation
- Mortality rates
- Termination rates
- Retirement rates
- Disability rates

The Board members felt the study was a good idea but expressed concern about the cost. Members also expressed concern that the study would be skewed because of the effects of the Covid-19 pandemic during the past 3 years. After some debate, a motion was made by Mr. Polsky to approve going forward with the study, provided that the lookback period for the analysis was at least five years and that the cost did not exceed \$25,000. The motion was seconded by Mr. Marques and approved.

There being no further business, Mr. Cunningham made a motion to adjourn the meeting. The motion was seconded by Mr. Brochu and approved. The meeting was adjourned at 5:20 p.m.

Respectfully submitted,

Joseph Swetcky, Jr.

Joseph Swetcky, Jr.
Director of Finance

Approved as presented by the Farmington Retirement Board on October 4, 2023