

**TOWN OF STONINGTON
RETIREMENT BOARD
August 15, 2023**

The Stonington Retirement Board held a regular meeting on this date at 9:00 a.m., in the Stonington Police Department Community Room. Patti Burmahl, Retirement Board Chair, hosted this meeting. Board members in attendance were: Patti Burmahl – Chairman, Craig Esposito, Tim O'Brien and Alisha Stripling. Elliott Clarke joined the meeting by phone. Also, in attendance were Devon Francis, Partner and Senior Consultant from Fiducient Advisors; Scott Boulton, Consultant from Fiducient Advisors; Bruce Barth, Esq. from Robinson + Cole; Bethany Wagner, Human Resources Manager for Stonington Public Schools; Donna Devlin, HR Coordinator for the Town of Stonington and James Sullivan, Finance Director for the Town of Stonington.

The meeting was called to order at 9:02 a.m.

Approval of Minutes from May 18, 2023

A motion was made by Mr. Esposito, seconded by Mr. O'Brien, to approve the May 18, 2023 meeting minutes. No corrections or changes are necessary. All members voted in favor with the exception of Ms. Sterling who abstained. The Minutes were approved. There was no discussion. Handouts are available in Administrative Services.

Defined Benefit Plan:

Fiduciary Governance Calendar (practice and policy review)

Ms. Francis reviewed the Governance Calendar which included a review of the Plan's Investment Policy Statement (IPS) and best practices in terms of governance. There are no recommended changes to the IPS which is reviewed each year and was updated in 2021.. Everything is in great shape. Ms. Francis provided information regarding the new reporting requirements for CT Governmental Plans. The Act requires municipalities to provide information for each retirement plan maintained by the municipality to the Office of Comptroller no later than September 1, 2023. A discussion followed. Ms. Francis presented an actuarial review. The 6.375 actuarial return assumption remains. The Town of Stonington plan is healthier than the average municipal plan.

Capital Markets Review

Ms. Francis reviewed the capital markets. The year has started off positive. The Town of Stonington's diversified portfolio is performing strongly. The economy is strong and the labor market is very strong. It is quite likely the Fed will remain paused on rate hikes, but there is still a recession risk. Consumers are not as fiscally strong. Recessions happen approximately every 6 ½ years.

Portfolio/performance Review

Ms. Francis presented a review of the portfolio's performance. All managers are on maintain status with the exception of Harding Loevner Emerging Markets Instl which is on watch status trending towards termination.

Recommendation to replace two international equity funds (vote needed)

Ms. Francis recommended the Town replace Harding Loevner Emerging Markets Instl to GQG Partners Emerging Markets Equity Instl. Ms. Francis also recommended the Town replace MFS

Instl International Equity Fund with John Hancock International Growth to bring the growth approach in to balance the portfolio. A discussion ensued. A motion was made by Mr. Esposito, seconded by Ms. Stripling, to terminate Harding Loevner Emerging Markets Instl and replace with GQG Partners Emerging Markets Equity Instl. Mr. Clarke abstained from the vote. All remaining members voted in favor. The motion carried. The members decided to hold off on the replacement of MFS Instl International Equity Fund with John Hancock International Growth seeing it was a soft recommendation based on the portfolio construction perspective vs. performance or watch status.

Defined Contribution Plan:

Fiduciary Governance Calendar (investment review)

Mr. Boulton discussed the fiduciary governance calendar including an investment review; investment menu design and benchmarking; DOL target date guidance, landscape, trends, objectives and portfolio overview. He reviewed the asset allocation by age and glide path comparisons. Mr. Boulton presented the five-year risk-reward and stable value analysis.

Review of Portfolio performance

Mr. Boulton reviewed the manager performance. Most performed very well. The portfolio manager for ClearBridge Small Cap Growth I announced their retirement causing them to be placed on discuss status while all others are on maintain status. There are no recommended changes at this time.

Defined Contribution Plan: Vendor Consolidation Update

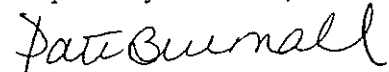
Ms. Burmahl presented an update on the vendor consolidation. She stated that the problems with participants accessing their 457b accounts was resolved. She also mentioned that Nationwide has been very professional and amenable throughout the consolidation. Ms. Burmahl's goal is to get participants more actively looking at their accounts. She wants to provide education and training for employees around retirement planning. She will have our Voya representative, Eric Spooner, continue to meet with participants on a regular basis. A discussion followed. Atty. Barth explained the importance of participants going on-line to set-up their user name and password from a cyber security standpoint. Mr. Boulton said that Voya has a report that will show who has set up their user name and password and who has not.

Ms. Burmahl thanked Mr. Esposito for his service to the Retirement Board. This was his last Retirement Board meeting as a board member.

Adjourn

A motion was made by Mr. O'Brien, seconded by Mr. Esposito, to adjourn the meeting. All were in favor. Meeting adjourned at 10:27 a.m.

Respectfully submitted,



Patti Burmahl
Chairman

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