



# TOWN OF LEDYARD

741 Colonel Ledyard Highway  
Ledyard, Connecticut 06339

## Retirement Board Meeting Minutes

Chairman  
John Rodolico

### Regular Meeting

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Tuesday, May 16, 2023

10:00 AM

Annex Meeting Room - Hybrid  
Format

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#### I. CALL TO ORDER

Chairman Rodolico called the meeting to order at 10:01 a.m.

#### II. ROLL CALL

**Present** Board Member William Thorne  
Board Member Roger Coddling  
Chairman John Rodolico  
Board Member Daniel Panosky  
**Excused** Board Member Sharon Wadecki

Also present:  
Chris Rowllins, Fiduciary Advisors.

Staff present:  
Mayor Fred Allyn III  
Marisa Iannella Rodriguez  
Matt Bonin  
Ian Stammel  
Christina Hostetler

#### III. PRESENTATIONS

1. Chris Rowllins, Fiducient Advisors.

Chris Rowllins, Fiduciary Advisors presented the Town's first quarter investment review, the April flash report and an Executive summary.

Mr. Rowllins started by saying that the first Quarter looked very good. He explained the Portfolio Expenses which consist of 44 basis points, Webster Bank base cost which is a minimum annual fee of \$10,000.00 and the Fiducient Advisor's fee which is a flat fee subject to an escalator each year (not subject to market performance or value); 2022 fees were approximately \$48K.

#### **Market themes -**

Volatility has persisted across all segments of the market. Federal policies, economic strength and stress in the regional bank sector continue to make headlines.

There is a notion of reduction in inflation, however the reduction path is not expected to be smooth. The silver lining of inflation is more returns on fixed incomes.

**Economic review -**

The labor market remains resilient. Strong consumer financial positions.

Bonds are doing well.

U.S. dollar continues to fall. The dollar index fell 1.0 percent in the first quarter.

The War in Ukraine was expected to have a major impact on the demand for gasoline and oil, but it did not unfold. The mild winter also helped limit the impact on demand.

International markets have been strong, they were up 8.5% for the quarter. Factors such as the opening of China's economy after Covid lockdown has helped the international markets. Emerging markets such as Latin America and Mexico have done very well since on-shoring their supplies.

**Portfolio -**

Approximately \$1.4M in gains for the quarter and \$1.5M for the fiscal year. Ending value of \$28.4M at the end of the first quarter.

Year to date fixed income was up 3.7%.

The decision to add the BlackRock strategy played a good role since BlackRock was up 1.4%, while other strategies were either flat or down.

Domestic equity such as Touchstone and Neuberger have delivered some solid results.

**April Flash Report -**

The environment was conducive for real assets.

The Portfolio was up 1% for the month.

Benchmark was up 70 basis points.

Commodities were down slightly.

Bond markets saw modest gains.

U.S. Small cap lagged.

U.S Large cap outperformed on muted volatility and strong value sector performance.

REITs posted a positive performance.

The April portfolio was a bit flat but if the overall momentum continues until June, it will be favorable because the June 30th number is the most important one from a funding perspective.

Manager Performance -

Rates were trending sideways but there is a higher coupon.

Domestic Equity was up 40 basis points.

International Equity was approximately 40 basis points ahead. Invesco continued to deliver attractive results.

Real assets were up 1.5% and the benchmark was up 1.3%.

### **Executive Summary -**

Fiducient Advisors recommendations/comments:

Asset Allocation - 2023 Capital Market Assumptions & Asset Allocation. Fixed income remains an important part of a broadly diversified portfolio and can serve to temper portfolio volatility.

The restoration of higher interest rates in 2023 is expected to generate higher returns for the portfolio's fixed income allocation.

Given the plan's 6.25% discount rate and strong funded status, the Retirement Board may want to revisit the portfolio's allocation to fixed income in light of higher rates and expected returns. Based on Fiducient's modeling, a 10% increase in the portfolio's allocation to fixed income serves to deliver attractive risk adjusted returns.

Fixed Income Portfolio - Suggestion to further consider reducing the allocation to the BlackRock Strategic Income Opportunities to 2.5% and reallocating those funds to the intermediate strategies to get duration and higher credit exposure.

Given the current environment of inflation both domestically and abroad as well as the likelihood of Federal rate cuts portfolio allocations to broad real assets will be important.

Suggestion to modestly reduce the allocation target from 5.0% to 2.5% and to use the proceeds to increase the portfolio's allocation to fixed income given the return/risk tradeoff.

The Board agreed to make the following changes within the current target ranges:

Reduce the BlackRock position by 2.5 % and reallocate those funds to other fixed income sleeves.

Reduce the Real Asset allocation down to 2.5% and reallocate those funds to other fixed income sleeves.

This General Discussion was Discussed.

**RESULT:** DISCUSSED

#### **IV. APPROVAL OF MINUTES**

1. Motion to APPROVE Regular Meeting Minutes from April 18, 2023, as written.

**RESULT:** APPROVED AND SO DECLARED

**MOVER:** John Rodolico

**SECONDER:** Daniel Panosky

**AYE** 3 Thorne Coddling Panosky

**EXCUSED** 1 Wadecki

**ABSTAIN** 1 Rodolico

#### **V. DIRECTOR OF HUMAN RESOURCES UPDATE**

1. Director of Human Resource update.

Marisa Iannella-Rodriguez, Human Resource Director reported three requests for withdrawals from the Defined Contribution Plan. Two were straight cash withdrawals and the third was for a rollover.

**RESULT:** DISCUSSED

#### **VI. FINANCE DIRECTOR'S REPORT**

1. Finance Director's Report.

Matt Bonin, Finance Director will review Chris Rowllins, Fiducient Advisor's trade recommendations as discussed above.

**RESULT:** DISCUSSED

#### **VII. OLD BUSINESS**

1. Any other Old Business to come before the Board.

Discussion and possible vote on updates to the Investment Policy Statement

Approved the following revisions to the Town of Ledyard IPS:

1. Change the name of the board overseeing the Pension Plan from the "Pension Board" to the "Retirement Board" based on Ordinance #200-010.
2. Add clarification on the timeframe for which the fund shall achieve full funding and the overall rate of return to be used in actuarial calculations.
3. Add the Town Finance Director authority to liquidate fund holdings to maintain sufficient liquidity to pay plan obligations and to determine how annual Town

contributions are allocated within the fund.

4. Move revision history to the last page.
5. Add signature line for the Retirement Board Chairperson.

**RESULT:** APPROVED AND SO DECLARED

**MOVER:** William Thorne

**SECONDER:** John Rodolico

**AYE** 4 Thorne Codding Rodolico Panosky

**EXCUSED** 1 Wadecki

### VIII. NEW BUSINESS

1. Motion to APPROVE retirement benefit for John Gardner in the amount of \$1,265.32 in the form of a modified cash refund annuity effective July 1, 2023.

**RESULT:** APPROVED AND SO DECLARED

**MOVER:** John Rodolico

**SECONDER:** William Thorne

**AYE** 4 Thorne Codding Rodolico Panosky

**EXCUSED** 1 Wadecki

2. Motion to APPROVE payment of Fiducient Advisors invoice #609\_03312023, dated May 2, 2023, in the amount of \$12,112.03 for the Town of Ledyard Defined Benefit Pension Plan consulting costs for the period January 1, 2023 to March 31,2023.

**RESULT:** APPROVED AND SO DECLARED

**MOVER:** John Rodolico

**SECONDER:** William Thorne

**AYE** 4 Thorne Codding Rodolico Panosky

**EXCUSED** 1 Wadecki

3. Motion to APPROVE USI invoice #90081435 dated April 30, 2023, in the amount of \$400.00 for benefit calculation of John Gardner.

**RESULT:** APPROVED AND SO DECLARED

**MOVER:** John Rodolico

**SECONDER:** Roger Codding

**AYE** 4 Thorne Codding Rodolico Panosky

**EXCUSED** 1 Wadecki

4. Any other New Business to come before the Board.  
None.

**IX. ADJOURNMENT**

To ADJOURN the Regular Meeting at 11:06 a.m.

A motion was made by Board Member Thorne, seconded by Chairman Rodolico, that this be Approved and so declared. The motion carried by the following vote:

**RESULT:** APPROVED AND SO DECLARED

**MOVER:** William Thorne

**SECONDER:** John Rodolico

**AYE** 4 Thorne Coddling Rodolico Panosky

**EXCUSED** 1 Wadecki

**DISCLAIMER:** Although we try to be timely and accurate these are not official records of the Town.