



# TOWN OF LEDYARD

741 Colonel Ledyard Highway  
Ledyard, Connecticut 06339

## Retirement Board Meeting Minutes

Chairman  
John Rodolico

### Regular Meeting

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Tuesday, December 19, 2023

10:00 AM

Council Chambers - Hybrid Format

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#### I. CALL TO ORDER

Chairman Rodolico called the meeting to order at 10:04 a.m.

#### II. ROLL CALL

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

Also in attendance was Naomi Rodriguez, Town Council.

Staff present:

Ian Stammel, Assistant Finance Director

Matt Bonin, Finance Director

Christina Hostetler, Town Hall Assistant via zoom

#### III. PRESENTATIONS

1. Chris Rowllins, Fiducient Advisors will be presenting the 3Q investment review and the November performance flash report.

Chris Rowllins, Fiducient Advisors started by saying that overall plans have stepped back and taken a pause. This is due mostly to the combination of a difficult 2022 and the restoration of higher yields. Since 2015 the averages and medians have come down significantly, approximately 68 basis points from FY2015 to FY2022. Now plans are in the early stages of evaluating stances in the current overall interest rate cycle. In FY2022 36% of pension plans exceeded the 80% funded mark which is a meaningful decrease from FY2021, when 65% of pension plans exceeded the 80% funded mark. FY2021 was a year of outsized investment performance which improved the average funded ratio followed by challenges in FY2022, resulting in a return to historical averages. FY2023 performance jumped up a bit but not as significantly as in FY2021.

Mr. Rowllins said that the first half of the calendar year 2023 resulted in good numbers. Interest rates were still stubbornly high in the third quarter with signs that the Federal Reserve would

keep the rates high or maybe even raise the rates again during the fourth quarter. Bond yields spiked during the quarter. The month of November held the best bond market return in over 30 years.

The equity sleeve of the Capital Market performance was negative pretty much across the board with no place to hide. YTD growth outperformed value. Big Tech stocks tethered to AI have emerged as market leaders and have become a bigger representation of the S&P 500 as well as a bigger weight of the Russell 1000 growth. Large cap growth has outperformed small and medium cap growth. The thinking is that higher borrowing costs impacted smaller companies who can't pass off costs to their consumers. The third quarter had a very concentrated narrow market. S&P Real Assets were down about 2.6 % for the quarter. The energy sector was a bright spot for the quarter.

The portfolio performance for the quarter was down 3.8% net and the benchmark was down 3.4%. The YTD (January through September) was up 4.2% net vs 3.8% benchmark. One year was up 11.1% net vs 10.8% benchmark.

There are two active Core Plus managers and Black Rock was brought in as an unconstrained manager. Black Rock has done a great job in a volatile interest rate environment. Although the trend may be towards a lower interest rate Mr. Rowlins still believes Black Rock has a role in the portfolio going forward.

Met West has been placed on watch status given the announcement of some portfolio manager changes. Although Met West has been delivering on performance there were some significant changes announced that warrant elevation to a watch status. Neuberger Berman is on discuss status because of the role that Judy Vale, CFA is playing at the firm on a go forward basis. Most likely NB will be taken off a discuss status next quarter.

Chairman Rodolico asked at what point does FA do re-allocations? Mr. Rowlins answered that there are mid and max ranges to keep the portfolio aligned and when the ranges edge close to 4-5% from the target then there will be a re-balancing recommendation/effort.

November Flash -

- After a difficult third quarter, November brought a good print on inflation and signs that the labor market is strong although weakening a bit which is good from the lens of the Federal Reserve because it means less wage pressure.

- The economy is fairly strong and there was lessening of student debt. Fixed income was positive across the board and it improved the YTD numbers. Big numbers in Global equities such as seen in the S&P. NASDAQ which is a tech heavy benchmark was up 37% YTD.

- Also, some good performance for Small Cap Companies at 8.9% for the month of December, which is three times higher than the S&P 500.

- International markets were higher. The dollar weakened a bit and interest rates came down across the board.

- There was some weakness in emerging markets particularly China. Both China and Multi Nationals that rely on China have been struggling, on the contrary India has done very well.

- The portfolio performance was up 6.7% for the month of November which in turn improved the YTD performance.

- Mr. Coddling commented that it appears that the William Blair Small Cap underperformed the benchmark for this year and asked Mr. Rowlins to comment. Mr. Rowlins said earlier in the year some of the regional banking stocks hurt their portfolio which caused a lag on their performance and affected their longer-term numbers however, since they were put in the portfolio they outperformed the benchmark by about 170 basis points. He doesn't recommend any action on William Blair at this time.

- International allocation had a bit of weakness particularly with Invesco and T. Rowe Price. Invesco's allocation to China especially in the second half of the year has dragged them down.

- Real Assets was up 6.6% for the month and 4.5% for the quarter although it has normally been lagging in the portfolio.

Recap - A good November, a solid December and a little bit of a Christmas rally. Mr. Rowlins said that FU will look at the underlying management structure and will come back with different scenarios for discussion. FU may conclude to remain where the portfolio is at today's allocation and structural wise or there may be some tweaks such as adjusting the asset allocations.

Mr. Rowlins ended the meeting by saying he will provide a December Flash report for the Board.

**IV. REVIEW AND APPROVAL OF MINUTES**

- 1. Motion to APPROVE Regular Meeting Minutes from November 21, 2023, as written.

**RESULT:** APPROVED AND SO DECLARED

**MOVER:** John Rodolico

**SECONDER:** Sharon Wadecki

**AYE** 3 Coddling Wadecki Rodolico

**EXCUSED** 1 Thorne

**ABSTAIN** 1 Panosky

**V. DIRECTOR OF HUMAN RESOURCES UPDATE**

- 1. Director of Human Resources update.

No report.

**VI. FINANCE DIRECTOR'S REPORTS**

**1. Finance Director's Report.**

Matt Bonin, Finance Director said he would like to add a late invoice from USI to Any Other New Business. Chairman Rodolico said the Board would take this up under Any Other New Business.

**RESULT:** DISCUSSED

**VII. OLD BUSINESS****1. Discussion on a review of applicable labor contracts and retirement documents for Town of Ledyard employee groups with applicability to retirement eligibility and benefits continued.**

Chairman Rodolico said he is working on a draft document and added that Human Resources has volunteered to help. It would be good to consolidate labor contracts into a chart to either provide the information or to document where to find the information instead of having to search each time. Chairman Rodolico said he would like to put off this agenda item until the New Year.

**RESULT:** DISCUSSED

**2. Any Other Old Business to come before the Board.**

None.

**VIII. NEW BUSINESS****1. Motion to APPROVE payment of USI invoice #90086413, dated September 30, 2023, in the amount of \$8,500.00 for Core Installment Fee (50%) - Actuarial Services - 2023 Plan Year**

Mr. Panosky asked to confirm that the Board would only pay the core actuarial services not the OPEB charge too, Mr. Bonin agreed.

**RESULT:** APPROVED AND SO DECLARED

**MOVER:** John Rodolico

**SECONDER:** Sharon Wadecki

**AYE** 4 Coddington Wadecki Rodolico Panosky

**EXCUSED** 1 Thorne

**2. Any other New Business to come before the Board.**

Motion to APPROVE payment of USI invoice #90089745, dated November 30, 2023, in the amount of \$400.00 for benefit calculation for Steve Masalin.

The USI invoice was received after the agenda was posted; Mr. Bonin requested that it be added to Any Other New Business.

**RESULT:** APPROVED AND SO DECLARED

**MOVER:** John Rodolico

**SECONDER:** Sharon Wadecki

**AYE** 4 Coddington Wadecki Rodolico Panosky

**EXCUSED** 1 Thorne

**IX. ADJOURNMENT**

Motion to ADJOURN the Regular Meeting at 10:53 a.m.

**RESULT:** APPROVED AND SO DECLARED

**MOVER:** Sharon Wadecki

**SECONDER:** John Rodolico

**AYE** 4 Coddington Wadecki Rodolico Panosky

**EXCUSED** 1 Thorne

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