



TOWN OF LEDYARD

741 Colonel Ledyard Highway
Ledyard, Connecticut 06339

Retirement Board Meeting Minutes

Chairman
John Rodolico

Regular Meeting

Tuesday, August 20, 2024

10:00 AM

Council Chambers - Hybrid Format

I. CALL TO ORDER

Acting Chairperson, Sharon Wadecki called the meeting to order at 10:01 a.m.

II. ROLL CALL

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

Excused Alternate Member Minna DeGaetano

Sharon Wadecki was acting Chairperson for this meeting.

John Rodolico and Roger Coddling were present via Zoom.

Staff Present:

Matt Bonin, Finance Director

Marisa Iannella Rodriguez, Human Resource Director

Ian Stammel, Assistant Finance Director

Christina Hostetler, Town Hall Assistant

Staff Excused:

Mayor Fred Allyn III

III. PRESENTATIONS

1. Chris Rowllins, Fiducient Advisors - Second Quarter 2024 review.

Mr. Rowllins started by reviewing the Governance calendar and the financial obligations and responsibilities for each quarter. For this quarter's (Q2) review the focus is on the investment, portfolio expense and liquidity review. For Q2 fixed income was the best performing asset class.

Notables-

- The anticipated five or six Fed rate cuts never occurred.

- The unemployment rate has increased to 4.1%, the highest level since November 2021.

- Although inflation rates have come down rates are still above the 2% Fed inflation target.
- Small cap markets were under pressure in July.
- International markets displayed mixed performances. China performed better than previously, and European markets moved lower.
- Emerging markets were up 5%, which was one of the better performing asset classes.
- Real Assets were up 6% on a one-year basis.
- Large technology/AI driven companies such as Microsoft and Apple are still leading the markets.

Portfolio:

- \$2.6 million in gains over one-year.
- Approximately 3% is allocated to cash, which is earning around 5%. Cash is used for benefit payments.
- A 41% target for fixed income fell 1% short. Baird and Harbor are the core managers within fixed income.
- Black Rock has been a clear winner in the portfolio.
- Domestic equity is above target at 32.8%.
- There was a meaningful slug in the S&P 500.
- There were modest allocations in the small cap sector.
- 21% allocation to International markets.
- The one-year return was just under 10%.

The Q2 report includes a focus on the international sleeve. Mr. Rowlins said there is no recommendation to change the overall allocation since it should remain at 20% but rather a change to the underlying manager structure. Mr. Rowlins followed up on T. Rowe's move to "watch status" which was highlighted in the Flash memo. He said it's recommended that due to the new managers' lack of experience as a portfolio manager it's an opportunity to step outside of T. Rowe and add in other managers. Mr. Rowlins also suggested moving away from Invesco. The recommendation is to replace current managers T. Rowe Price Overseas and Invesco Developing Markets with two developed market managers, Dodge & Cox, and John Hancock (International Dynamic Growth sub advised by Axiom) and two emerging market managers Arga and Wasatch. Also, recommendation to reduce passive allocation in favor of active management.

Mr. Panosky asked how the fees of Dodge & Cox and John Hancock compared to T. Rowe and Invesco. Mr. Rowlins answered that the fees would be higher, but it would be warranted given the net performance these managers have delivered. Mr. Rowlins added that he could return for the September meeting with a fee structure and the Board could look more closely at performance of the recommended managers. Mr. Codding requested an "Underlying Investment Management Fees report" for the four recommended managers, Mr. Rowlins said he could have the reports ready for September.

IV. REVIEW AND APPROVAL OF MINUTES

1. Motion to APPROVE Regular Meeting Minutes from June 18, 2024, as written.

Mr. Thorne and Mr. Panosky were not present for the June meeting. It was decided to TABLE the vote until the September 17, 2024, meeting.

V. DIRECTOR OF HUMAN RESOURCES UPDATE

1. Director of Human Resources update.

Mr. Thorne asked Marisa Iannella-Rodriguez, Human Resource Director if she found a volunteer for the brainstorming session on the Connecticut Municipal Employees Retirement System, (CMERS), pension and 457 options. Ms. Iannella-Rodriguez said that Chairman Rodolico has not officially volunteered yet. Mr. Thorne said that he could volunteer if Chairman Rodolico chooses not to.

RESULT: DISCUSSED

VI. FINANCE DIRECTOR'S REPORT

1. Finance Director's Report.

None.

VII. OLD BUSINESS

1. Motion to approve a monthly retirement benefit for Karen Goetchius in the amount of \$3,207.60 as of September 1, 2024, payable in the normal form of a Modified Cash Refund Annuity based on her service and earnings through this retirement date.

This Motion was TABLED on June 18, 2024.

RESULT: APPROVED AND SO DECLARED

MOVER: Sharon Wadecki

SECONDER: William Thorne

AYE 5 Thorne Coddling Wadecki Rodolico Panosky

EXCUSED 1 DeGaetano

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

None.

VIII. NEW BUSINESS

1. Motion to APPROVE payment of USI invoice # 90097419, dated June 30, 2024, for Karen Goetchius Benefit Calculation in the amount of \$400.00 and Core Installment Fee/Actuarial

Services in the amount of \$2,900.00, for a total of \$3,300.00.

RESULT: APPROVED AND SO DECLARED

MOVER: Sharon Wadecki

SECONDER: William Thorne

AYE 5 Thorne Coddling Wadecki Rodolico Panosky

EXCUSED 1 DeGaetano

2. Motion to approve a monthly retirement benefit for Mark Yuells.

RESULT: APPROVED AND SO DECLARED

MOVER: Sharon Wadecki

SECONDER: William Thorne

AYE 5 Thorne Coddling Wadecki Rodolico Panosky

EXCUSED 1 DeGaetano

3. Any Other New Business to come before the Board.

None.

IX. ADJOURNMENT

Motion to ADJOURN the Regular Meeting at 11:05 a.m.

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