



## Legislation Text

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**File #:** 23-1617, **Version:** 1

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### AGENDA REQUEST GENERAL DISCUSSION ITEM

**Subject:**

Any other Old Business to come before the Board.

Discussion and possible vote on updates to the Investment Policy Statement

**Background:**

March 21, 2023

Mr. Thorne had a few suggestions:

The most current date change should be replacing the March 2012 date on the Cover page.

Change the name from "Pension Board" to "Retirement Board" throughout the document.

Add the vote that was taken on October 18, 2022, to extend the amortization period of the unfunded liability from four years to ten years (i.e. FY 33-34) to the Objectives. Mr. Coddington pointed out that the fiscal year should read FY 32-33 not FY 33-34, the Board agreed.

The 6.25% return assumption that the Board uses for actuarial calculations should be in the document, possibly even add an assumption section in the document.

**Additional comments:**

The authority given to the Finance Director to sign off on equity sales (to maintain sufficient liquidity for near-term benefit payments) should be formalized. Specifically, the Board should put something in writing similar to "The Finance Director has the authority when necessary to evaluate cash-on-hand and sell stocks to acquire extra revenue based on recommendations from the Town's Investment Consulting firm".

If the Board wants the Finance Director to decide how the yearly town funds are handled, that authority should be stated in writing.

Mr. Thorne will make a draft IPS copy containing all of the discussed changes/additions to the Board for review and vote during the April meeting.

April 18, 2023

Mr. Thorne commented that in other Town documents the revision history is usually captured on the last page. He suggested moving the revision history from the first to the last page of the IPS.

Incorporated changes:

1. Board name (from Pension to Retirement).
2. Clarification of the time frame in which the fund achieves full funding status. Mr. Bonin confirmed with USI that the fully funded date is Fiscal year 2032/2033.
3. The overall rate of return to be used in actuarial calculations.
4. Authority is given to the Town Finance Director to liquidate fund holding to maintain sufficient liquidity to fund plan obligations.

Mr. Thorne added he did not update the IPS to state the Finance Director's authority to divide up the Town's contribution according to recommendations from Town's financial advisors. Mr. Bonin is already doing this, although it isn't formally in writing. Ms. Wadecki asked if Mr. Thorne felt it should be in the IPS, he replied yes. It was decided that Mr. Thorne would update the IPS to add this authority.

Mr. Thorne will make a new revision to move the revision history to the last page of the document and to add the Finance Directors authority to divvy up the Town's contribution. The final revision can be voted on during the May meeting. He added that it will allow time for Chairman Rodolico to review the new additions.

**Department Comment/Recommendation:**  
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