

PENSION COMMITTEE
REGULAR MEETING
JULY 13, 2023
TOWN HALL 9:00 A.M.

CALL TO ORDER: The meeting was called to order at 9:00 AM.

ATTENDEES: Bill Kirkpatrick, Chair; John Mailhot and Ham Wilson, members; Mike Marinaccio Somers CFO; Brian Wissinger, Assistant Finance Director; Kevin Nichols, Morgan Stanley.

APPROVAL OF MINUTES OF REGULAR MEETING OF APRIL 20, 2023:

The minutes were approved as written.

REPORT FROM THE OFFICE OF SOMERS CFO

For the Town Plan, the ADEC payment has been made, and \$175,939 is on hand for benefits payments. As monthly benefits are \$21,609, we have sufficient cash to pay benefits for the next eight months. The actuarial report is due later this year.

For the Firefighters Plan, the ADEC has been made, and \$4,993 is on hand for benefit payments. Monthly payments are \$1,098, so we have enough for the next four months. The actuarial report is due next year for the last two fiscal years.

INVESTMENT REVIEW AND DECISIONS FOR THE TOWN FUND

Kevin reviewed the investment markets, the economy, interest rates, and the risks associated with each. As a result, the committee voted unanimously to mitigate risk by moving \$20,000 each from the London Income Fund, Capital Group World Dividend Growers, and Lazard Emerging Core Equity ADR, with the resulting \$60,000 going to the bond ladder.

INVESTMENT REVIEW AND DECISIONS FOR THE FIREFIGHTER'S FUND

No action is called for at this time.

DISCUSSTION OF CASH FLOW, EMPLOYEE BENEFIT PAYMENTS, AND RELATED MATTERS

The Committee reviewed a cash flow projection covering 2023 through 2034 covering benefit payments and administrative expenses, offset by employee payments, ADEC contributions, and income dividends earned by the fund. This project was undertaken 1) so that investment managers are not forced to sell securities at inopportune times, 2) so that with planning we would continue to have cash flow into the fund to support its growth, 3) in the hope that with careful planning we could avoid raising employee contribution levels going forward.

The committee emphasized the importance of receiving the ADEC at the beginning of the fiscal year. All committee members agreed that we would pay benefits from the ADEC contribution and employee contributions for at least the first six months of the fiscal year, while dividends and interest would be reinvested. During the second half of the year, we would closely monitor the cash flow and use dividends and interest income as needed to complete payments for the year.

ADJOURNMENT: The meeting was adjourned at 10:17AM.

Respectfully submitted,

Hamline C. Wilson
Clerk