

**Town of Coventry  
Pension & Retirement Committee  
Regular Meeting Minutes  
January 26, 2022**

1. **Call to Order:** Meeting was called to order at 7:03 pm. Present were Bob Murzyn, Ben Emanuel, David Powers and Sam Belsito. Also present was Amanda Backhaus Finance Director, Ben Lavine 3D/L Asset Management, Richard Sych Hooker & Holcombe and Michael Krzanowski Hooker and Holcombe.
2. **Presentation 2021 Actuarial Valuation:** Richard Sych and Michael Krzanowski presented the results of the 2021 Actuarial Valuation. The presentation is attached to the minutes. Key highlights are 75.6% funded as of July 1, 2021, \$935,296 is the actuarial determined contribution for FY23, and the plan is 83.91% funded when calculated per GASB 67/68.

The Committee thanked Rich and Michael for their presentation.

3. **Approval of Minutes:** Motion to approve the minutes from October 27, 2021 was made Ben and seconded by Dave. Motion passed unanimously.
4. **Review of Current Holdings:**
  - a. **3D/L Asset Management:** Ben Lavine provided his report on our equity investment. We reviewed the fiscal year performance report from July to year-end. It has been a really good year for global equity investing. The US has been leading regional markets for the past 10 years. International returns were not as high - high single or low double digits. Our type of portfolio really played its way out in value investing and real estate markets. Looking ahead, it feels like COVID is a big differentiator relative to performance. Asia has a zero-COVID policy and now has restrictions on economic activity. Once we get past COVID, it will be interesting to see how much the global economy opens up. Included in the market commentary, we see federal reserves are the largest risk (rather than COVID). The Feds had a press conference today - they look to be serious in reversing/normalizing policy from the emergency measures taken at the start of the pandemic. We could be looking at 3-4 rate increases of up to 1% by the end of the year.

The Committee thanked Ben for his commentary.

- b. **9/30/21 Plan Assets:** Amanda reviewed the pension asset summary and allocation, noting that as of December 31 the plan was at a 40/60% split and remained relatively balanced since the Committee rebalanced through their contribution in August:

<b>Pension Assets</b>	<b>12/31/2021</b>	
Contract	<b>Balance</b>	<b>Distribution</b>
86988A - Fixed Town	7,483,451.70	38.32%
3D Asset Management	12,051,030.24	61.71%
Due to GF	(6,612.00)	
Total	<u>19,527,869.94</u>	
<b>YTD</b>		
Beginning Balance	18,216,389.00	6/30/20
<b>Additions:</b>		
Employer	892,800.00	
Employee	132,195.14	
Earnings	737,244.19	
<b>Distributions:</b>		
Benefit	408,223.02	
Expenses	33,716.37	
Fees	8,819.00	
	<u>19,527,869.94</u>	

Amanda noted no transfers are needed since the funds are balanced at the 60/40 split.

c. **Quarterly transaction details:** System reports were reviewed. No questions noted.

5. **Retirement Review:** Three retirements were reviewed. No additional questions were noted.
6. **Discussion/Recommendation: Fy2023 Budget Recommendation:** Amanda noted the actuarial determined recommended contribution is \$935,296. Dave suggests that we do not put the full amount in. Amanda noted historically we have put in 100% and it does impact our bond rating. Ben agrees we should recommend a lower contribution. Dave inquires as to what the calculation was that we recommended last year. Amanda noted that for FY22 the Committee recommended the Fy21 contribution – not the FY22 calculated contribution. This was \$724,037. Dave motions to recommend to the Council an employer pension contribution of \$724,037. Ben seconds the motion. Motion passes with Sam abstaining.
7. **Other Business:** Sam inquired about our current agreement with 3DL, including fees and types of investment options. Amanda noted she will get the Committee’s investment policy over to Sam and will inquire of 3DL for additional information regarding the Town’s plan.
8. **Adjournment:** Motion moved to adjourn made by Ben seconded by Dave. Meeting adjourned at 8:16 pm.

Respectfully Submitted,



Amanda L. Backhaus, CPA

Finance Director

*Note: These minutes are draft/not official until approved by the Committee at the next Committee meeting. Please see subsequent meeting for approval or changes to these minutes.*