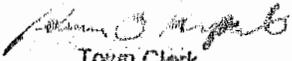


**TOWN OF NEWINGTON**  
**EMPLOYEE INSURANCE AND PENSION BENEFITS COMMITTEE**  
**MEETING VIA ZOOM**  
**Meeting Minutes – May 23, 2022**

2022 NOV -2 AM 11:51

  
Town Clerk

1. Call to Order  
Chairperson Tim Manke called the meeting to order at 7:02 pm
2. Roll Call  
**Members Present:** Clarke Castelle, David Johnson, Anthony Kulowski, Matthew Kulowski, William Lichota, Tim Manke, Mitch Page, and John Slusarski.  
  
**Member Absent:** Jay Krusell, Richard Lavariere, and Sam Sharma  
  
**Staff Present:** Keith Chapman, Janet Murphy, Jennifer Massaro-Cook, and Lou Jachimowicz
3. Public Participation – none
4. New Business: Since the representative from Lockton was not there yet we started with the review by UBS
  - a) Lockton

David McCluskey and Lisa Daley discussed our claim results as of April 2022 and the status of our renewal for the 2022-2023 fiscal year. Currently the Board of Education claims are at the budgeted estimate while the Town is running a little above. In total at this time we are running \$153,000 over budget. This is due to the increase in claims in the range of \$75K-\$150K. The large claims case management team is keeping an eye on this. These claims are not a result of COVID nor did they see any evidence that our increase was due to COVID. Renewal figures for the 2022-2023 fiscal year are coming in with a small increase expected for the Board of Education and a slight decrease for the Town. Stop Loss coverage for next year is budgeted at \$617,000.

b) UBS

Marc Shegoski, David Sears, and Ashley Martella presented their views on the current market along with how our Pension and OPEB funds have performed. While current risk assets continue to struggle, they believe that 2022 will be a year of economic growth normalization. With inflation rising, interest rates increasing and transportation and supply chain issues continuing, there is a rising chance of a recession in the near future. Of the three scenarios for the future, their belief is that the market will play out somewhere between the central view and downside. A large portion of the results hinging on the situation with Russia.

All of the pension and OBEP funds have the same investments so we started by looking at our largest pension fund, Police. As of 3/31/22 for the calendar year we are down 7.16% and for the fiscal year we are down 5.47%. All of the other funds had similar results. Suggestions were made by UBS to make the following changes: 1. Remove Oakmark International and move proceeds to MFS Value, 2. Replace Europacific Growth with Vanguard total International Stock Index, 3. Reduce Western Core Plus by half, dividing evenly among Blackrock Strategic Income and JP Morgan Strategic Income, and 4. Replace Clearbridge Large Growth with Vanguard Growth Index. These changes would reduce international exposure as well as increase US value, shift away from growth and introduce low-cost passive exposure, reduce the duration of the fixed income portfolio, and replace a manager that has been on watch with a lower cost index. These changes were unanimously approved by the committee.

Marc Shegoski mentioned that any member who would like to get their market updates by email can do so. Janet Murphy will forward him the email addresses to do so.

5. Remarks by Committee Members – John Slusarski discussed the status of the funding on the pension funds and an analysis that he had done on this which he would share with new members. We will look into seeing if the actuaries can make it to the next meeting to discuss. He also requested that the latest actuary reports be posted to the Town website. Lastly, John talked about some potential committee ordinance changes that he had been proposing. These will be forwarded to the committee members so we can discuss this at the next committee meeting.
6. Next Meeting – TBD – will plan to meet in August.
7. Adjournment- D. Johnson made a motion to adjourn; seconded by W. Lichota. The meeting adjourned at 8:35 p.m.

Respectfully submitted:

Janet Murphy, Director of Finance