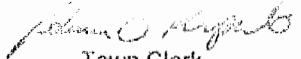


**TOWN OF NEWINGTON**  
**EMPLOYEE INSURANCE AND PENSION BENEFITS COMMITTEE**  
**MEETING VIA ZOOM**  
**Meeting Minutes – September 11, 2023**

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2023 DEC -1 AM 11:29

  
Town Clerk

1. Call to Order  
Chairperson Tim Manke called the meeting to order at 7:10 pm
2. Roll Call  
**Members Present:** David Johnson, William Lichota, Tim Manke, Mitch Page, and John Slusarski.  
**Member Absent:** Richard Lavarriere, Jay Krusell, Matthew Kulowski, Anthony Kulowski and Sam Sharma  
**Staff Present:** Janet Murphy, Jennifer Massaro-Cook, and Lou Jachimowicz
3. Minutes: Approval the meeting minutes from 3/6/2023 – motion made by William Lichota, seconded by John Slusarski. Minutes were unanimously approved.
4. Public Participation – none
5. New Business:

a) Lockton

Tori Perugini from Lockton discussed our claim results through the 2022-23 fiscal year. Town, which makes up 26.6% of the group had a surplus of \$714 thousand. Since this is such a small percentage of the whole group, you can expect the claim results to be volatile. The Board of Education, which comprises the remainder of the group, had a slight deficit of \$955. They had a perfect net loss ratio if we take out the five high loss claims. For the 2023-2024 medical renewal decisions, the administrative fees increased 1.8% and aggregate stop loss was up 5%. We will be seeing a larger increase for the specific stop loss which is currently at a 30% increase, negotiated down from 72%. Our current stop loss level is way below the national level by almost \$30 per person. For the budget they are suggesting a 0% increase for the Town and 2.1% increase for the Board of Education. Discussion continued regarding the market and the renewal for stop loss.

For the current fiscal year, we do not have a lot of information to review since currently we are only seeing the claims information for July 2023. The first month of the year is always typically low. Overall, the total group is running at a 72.1% loss ratio. Compared to the prior policy period, we are trending favorable.

b) UBS

Marc Shegoski, David Sears, and Ashley Martella recapped the results through September 2023. The stock-heavy portfolios have nearly recovered from their losses. There are seven stocks that have led this rally back. Interest rates have stayed flat helping out this situation. We are way above the average increases by the Federal Reserve. The rates went up zero to 5% in just 16 months. This is causing a cost increase for items. They do not expect to see any rates going up this year and will stay right about where they are for this year. Right now, we are seeing that we are spending more than we are saving which is one of the big reasons that the economy has held up. The rally due to the seven stocks makes up approximately 20-25% of the market and can cause volatility. The projection for the middle of next year shows three potential scenarios. Hard landing which would be a downside to S&P of 3,500 is the worst scenario and would be considered a recession. Brave new world, or the best scenario would see an upside to the S&P of 5,200. To

get to this level we would expect that an AI-inspired upside narrative where we see equities up and bonds flat.

Pension portfolios were discussed through September 1, 2023. Currently have approximately 60% equities close to our target allocations. For the fiscal year the portfolio is up 1% and for the calendar year the increase is 10.51%. Fiscal year ending 6/30/23 we ended with a 10.92% increase. Recapping changes made from the last meeting 2.5% was trimmed from stocks and put into fixed income, increased the international portion of the stocks by 2.5%. Review continued of all the fund managers. They are recommending a change to the bond managers. A shift in allocation to longer bonds longer than the current average of 3.8 years that we have. To do so they are recommending that we shift the funds under Templeton Global to DSAM Core Plus. This would eliminate the risk from international bonds. Discussion was held regarding these investment changes. John Slusarski made the motion to approve these changes and William Lichota seconded that motion. The motion for recommendations was approved unanimously.

Asset allocations analysis were discussed. They had done this in December 2022 but there have been some changes that they want to discuss. These assumptions are in line with the long-term results that the actuaries use. We are currently running very close to our target. The three portfolio allocations are very close in their expected returns. If you go out more years to look at this the lower your expected return. If you go out to 20 years you would be looking at an expected return of 6.32%.

6. Remarks by Committee Members – None
7. Next Meeting – TBD – will plan to meet after the new year, January or February.
8. Adjournment- John Slusarski made a motion to adjourn; seconded by William Lichota. The meeting adjourned at 8:17 p.m.

Respectfully submitted:

Janet Murphy, Director of Finance