

**TOWN OF SOUTH WINDSOR
PENSION COMMITTEE
MINUTES
April 29, 2020**

1. Call Meeting to Order

The virtual meeting was called to order at 8:30 a.m.

Members Present: Chris Chemerka, Board of Education; Scott Custer, Chief of Police; Audrey Delnicki, Town Council; MJ Hockenberry, Town Council; Patricia Lewis, Assistant Director of Finance; Michael Maniscalco, Town Manager; James O'Brien, Board of Education; Andrew Paterna, Mayor; Patricia Perry, Director of Finance

Members Absent: None

Also Present: Anthony Traghese, Fiduciary Investment Advisors, LLC

2. Approval of Minutes

Ms. Chris Chemerka moved to approve the minutes of January 28, 2020. Chief Scott Custer seconded the motion, and it was approved unanimously.

3. Discussion Items

A. Update – Fiduciary Investment Advisors, LLC (FIA)

Mr. Anthony Traghese of Fiduciary Investment Advisors, LLC (FIA) gave the Quarterly Investment Review (**Attachment A**) for the first quarter of 2020. On April 1st, 2020 FIA carried out the planned merger with peer firm DiMeo Schneider & Associates, LLC. This merger has allowed FIA to expand their operations and firm presence. Methods of operation will not be changing significantly.

Mr. Traghese reported on economic and market conditions. The global economy has been greatly affected by the COVID-19 pandemic, and a recession is on the horizon. A Market Update, current as of April 27, 2020 was provided to illustrate the progression of events (**Attachment B**). The market has become a bear market for the first time since the global financial crisis. The US Federal Reserve has acted swiftly with stimulus efforts to reduce the economic impact of the virus. US equity markets fell sharply, and large-cap companies outpaced small-cap. The international market also suffered as a result of the pandemic, with developed regions performing better than emerging markets. The US dollar strengthened against most major currencies. Fixed income returns were also affected, due to the uncertainty surrounding coronavirus impacts on company earnings. Government bonds were positive, while spread sectors were generally negative. Interest rates were sharply lower this quarter.

The Town and BOE portfolio performance has been affected by these market changes, but Mr. Traghese recommended that the best course of action would be to keep allocations where they are and just stay the course. Timing the market can prove detrimental to long-term performance. Strong equity performance has often been possible during bear markets. Patience

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should pay off in this situation. Two fund managers have been placed on watch due to underperformance and team changes: Glenmede Small Cap Equity and Vanguard International Explorer. An update on Asset Allocation as of 4/27/2020 was provided (**Attachment C**).

Further detail and illustration of this report can be found in the First Quarter 2020 Quarterly Investment Review, on file in the Town Clerk's Office.

4. Miscellaneous

None.

5. Schedule the Next Meeting

The next meeting of the Pension Committee will be scheduled for the next quarter, depending on COVID-19 related restrictions.

6. Adjournment

Mayor Andrew Paterna made the motion to adjourn. Chief Scott Custer seconded, and the motion was approved unanimously.

Respectfully submitted,

Samara Haddock
Recording Secretary

Attachments:

- A) Quarterly Investment Review – First Quarter 2020, prepared by Fiduciary Investment Advisors, LLC. May be reviewed upon request in the Town Clerk's Office.
- B) Market Update 4/27/2020. May be reviewed upon request in the Town Clerk's Office.
- C) Asset Allocation 4/27/2020