

CHESTER RETIREMENT BOARD MEETING via Zoom
Minutes for November 15, 2021

CALL TO ORDER

Jennifer Rannestad called the meeting to order at 6:04 pm. In attendance on Zoom were members Francine Cornaglia, Ben Belisle, Andrew Gardner, Jennifer Rannestad. Peter Evankow, Accounting Manager, for the Town of Chester; James Sullivan with Essex Financial Services; Kai Peterson and Becky Sielman with Milliman

APPROVAL OF MINUTES

The minutes from the last meeting, September 13, 2021, were approved as written. The motion passed unanimously.

BUSINESS

Performance Report:

James Sullivan with Essex Financial Group reviewed the Performance Reports dated 1/1/2021 to 11/10/2021.

Town of Chester Retirement Plan balance: \$2,678,558 with a YTD return of 11.95%

Town of Chester Volunteer Service Award Program (VSAP) balance: \$1,020,545 YTD of 12.08

James noted investments remain within parameters set in the investment guidelines that were updated and implemented in March 2021. (Guidelines are Cash 5%, Fixed 35%, US Stocks 50%, International 10%)

James also commented that the fixed income investment held up well compared to similar funds and is in the top 25% performers.

The performance reports included a listing of the fees associated with each fund

Milliman Presentation:

Becky Sielman introduced Kai Peterson who will be taking over Chester's account from Kerry Forrester since she is moving out of the area. Becky provided a brief description of Milliman and the services they perform for the Town of Chester along with their corresponding fees.

There was a discussion of the key assumption Milliman has calculated for our actuarial reports which is that our return on investment over the life of the plan (30 to 50 year from now) which currently is 6.5%. This rate is arrived at by discussing our investment parameters with our investment advisor, town accounting manager and considering guidance from experts in the field.

It was asked by a member if 6.5% assumption is more conservative than necessary because, if so, taxpayers are funding the pensions more aggressively than needed. Also brought up by another member, is that in a prior actuarial report, there was a disconnect in why the return on investments assumption for the VSAP fund was lower than the town pension plan, even though it was invested more aggressively.

Becky responded that this assumption recalculated each year and Milliman will be sure to incorporate the new investments that James mentioned were updated in March 2022. Milliman will provide Retirement Board with more information on how they calculated the assumption at our February 7 Retirement Board meeting.

The meeting dates for 2022 are as follows: February 7, May 2, August 1, November 7

Adjournment at 7:02pm

Respectfully Submitted,
Jennifer Rannestad