

**South Central Connecticut Regional Water Authority
Pension & Benefit Committee
Minutes of the April 27, 2023 Meeting**

The regular meeting of the South Central Connecticut Regional Water Authority (“RWA”) Pension & Benefit Committee took place on Thursday, April 27, 2023, at 90 Sargent Drive, New Haven, Connecticut and via remote access. Chairman Sack presided.

Present: Committee – Mss. Sack and LaMarr, and Messrs. Borowy and Curseaden
Management – Mss. Kowalski and Calo, and Messrs. Bingaman, Donovan, Hill, Lakshminarayanan, Matharu, and Singh
RPB – Mr. Slocum
Angell Pension Group, Inc. – Messrs. Bauer, Krayter, and Liter
Morgan Stanley – Messrs. Kelliher, McLaughlin, and Kantapin
Staff – Mrs. Slubowski

The Chair called the meeting to order at 12:33 p.m.

On motion made by Ms. LaMarr, seconded by Mr. Borowy, and unanimously carried, the Committee approved the minutes of its January 26, 2023 meeting.

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| Borowy | Aye |
| Curseaden | Absent |
| LaMarr | Aye |
| Sack | Aye |

At 12:35 p.m., Mr. Curseaden entered the meeting.

Messrs. Bauer and Krayter, of Angell Pension Group, Inc., the RWA’s Pension actuary, presented summaries of the January 2023 salaried, union and Voluntary Employees Benefit Association (“VEBA”) valuation reports, assumptions, and contributions recommended for FY 2024. There were no changes made to the mortality tables or in the discount rate used for the FY 2024 contribution. He stated that overall, the plans are in good health with no concerns and the RWA should stay on track with contributions to meet its goal of 100% funding.

Mr. Curseaden moved for approval of the following resolutions, as discussed with the actuary:

1. *Salaried*

RESOLVED, that the Authority approves a contribution of \$3,022,490 to the South Central Connecticut Regional Water Authority’s Salaried Employees’ Retirement Plan, effective for the actuarial valuation of January 1, 2023; and

FURTHER RESOLVED, that the Authority approves the continued use of the PubG-2010 Above Median Employee and Annuitant with Scale MP-2021 generational improvements (M/F), effective for the actuarial valuation of January 1, 2023.

2. *Union*

RESOLVED, that the Authority approves a contribution of \$1,727,510 to the South Central Connecticut Regional Water Authority’s Union Employees’ Retirement Plan, effective for the actuarial valuation of January 1, 2023; and

FURTHER RESOLVED, that the Authority approves the continued use of the PubG-2010 Total Employee and Annuitant with Scale MP-2021 generational improvements (M/F), effective for the actuarial valuation of January 1, 2023.

Ms. LaMarr seconded the motion. The Chair called for the vote:

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| Borowy | Aye |
| Curseaden | Aye |
| LaMarr | Aye |
| Sack | Aye |

Ms. LaMarr moved for approval of the following resolutions, as discussed with the actuary:

RESOLVED, that the Authority approves a contribution of \$1,640,907 to the South Central Connecticut Regional Water Authority's Retired Employees' Contributory Welfare Trust, effective for the actuarial valuation of January 1, 2023; and

FURTHER RESOLVED, that the Authority approves the continued use of the mortality table for the South Central Connecticut Regional Water Authority's Retired Employees' Contributory Welfare Trust, the PubG.H.-2010 Employee, Healthy Annuitant, and Contingent Survivor with Scale MP-2021 generational improvements (M/F), effective as of the actuarial valuation of January 1, 2023.

Mr. Curseaden seconded the motion. The Chair called for the vote:

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| Borowy | Aye |
| Curseaden | Aye |
| LaMarr | Aye |
| Sack | Aye |

Mr. Curseaden moved for approval of the following resolutions, as discussed with the actuary:

RESOLVED, that based, on the recommendation of the its Pension & Benefit Committee, the South Central Connecticut Regional Water Authority authorizes an increase of \$2,000,000 as a combined contribution to the South Central Connecticut Retirement Plan and the South Central Connecticut Regional Water Authority Salaried Employees' Retirement Plan during fiscal year 2023.

Ms. LaMarr seconded the motion. The Chair called for the vote:

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| Borowy | Aye |
| Curseaden | Aye |
| LaMarr | Aye |
| Sack | Aye |

Ms. Kowalski reported that the amount is consistent with the RWA's FY 2023 projection and the FY 2024 pension contribution is consistent with the recent rate application.

At 1:04 p.m., Messrs. Bauer, Krayter, and Liter withdrew from the meeting.

Mr. Kelliher, of Morgan Stanley, the RWA's pension investment advisor, reported on the Authority's Quarterly Pension Investment Performance for its salaried plan, union plan, and RWA's Voluntary Employees Beneficiary Association Plan (VEBA), for the period ended March 31, 2023, which included:

- Market Commentary
- Asset Allocation Investment Results

Mr. Kelliher reported that the performance and market values have improved since last quarter.

The Committee discussed liquid investments, institutional protocols/processes, risk alternatives, and overall performance.

Ms. Sack reported that the Committee would be discussing a potential amendment to the Charter that would include a requirement for a Request for Proposal for investment advisory services every five years. Discussion ensued regarding current services, reasoning, relationship, and additional opportunities.

At 1:50 p.m., Messrs. Kelliher, McLaughlin and Kantapin withdrew from the meeting.

The Committee reviewed its FY 2024 Work Plan.

Ms. Sack reviewed management's suggested changes incorporated into the Committee Charter. Discussion ensued regarding requiring the issuance of a Request for Proposals (RFP) for the investment advisor vs. a requirement to consider the issuance of a RFP. After discussion, it was the consensus of the committee to consider the issuance of a RFP for the investment advisor every five years. The start date to be considered at the next committee meeting in July. Ms. Kowalski will revise the FY 2024 work plan to include the topic.

On motion made by Ms. LaMarr, seconded by Mr. Curseaden, and unanimously carried, the committee voted to adopt the changes to the Charter, as amended.

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| Borowy | Aye |
| Curseaden | Aye |
| LaMarr | Aye |
| Sack | Aye |

At 2:12 p.m., on motion made by Mr. Borowy, seconded by Ms. LaMarr, and unanimously carried, the meeting adjourned.

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| Borowy | Aye |
| Curseaden | Aye |
| LaMarr | Aye |
| Sack | Aye |

Suzanne Sack, Chairperson