

Ridgefield Pension Commission

Final Minutes of the Meeting of February 22, 2021

The meeting convened telephonically and via Zoom at 5:05 p.m.

MEMBERS PRESENT: Messrs. Christofer Christiansen (Chairman), Thomas Hayes, Thomas Leonard, Christopher St. Victor-de Pinho, Christopher Sierakowski, Arthur Aaronson, and James Stoveken.

MEMBERS Absent: None

1. Upon motion and second, the minutes of the Commission's January 25, 2021 meeting were approved.
2. Two invoices one for Cohen and Wolf and one for T R Paul were reviewed and approved.
3. Mr. Christiansen reported he is still investigating the pension overpayment first reported in January.
4. Mr. Christiansen discussed his evaluation of PBI, the company that provides services to determine if retirees are deceased. He has determined that it makes sense to employ some sort of check as it was determined that Vanguard does not have access to a complete database. He will work with Mr. Leonard to complete the analysis.
5. Mr. Christiansen introduced a discussion concerning Environmental, Social, and Governance (ESG) investing and diversity based on a recent AON publication. The Committee, after a brief discussion, decided to wait for Vanguard's interpretation of how they are implementing, incorporating, and thinking about diversity, ESG, and our portfolio.
6. Mr. Christiansen reported that Vanguard is investigating and reconciling our investment policy statement to their Schedule B (which is their guidance document). We postponed any changes to the IPS until we resolve what, if any, changes need to be made for our previous discussion about rebalancing the portfolio.
7. The investment working group's assessment of our current investment manager was reviewed by the Commission. A motion was made by Mr.

Leonard and seconded to approve the memorandum. The memorandum is attached to these minutes.

8. As one of its governance projects, the Commission discussed a review of individual employee pension calculations and coordinating it with the restatement of our plan documents. Mr. Christiansen will follow up with the two firms he has contacted about doing such a review.
9. The working group working on the revised plan documents reported on progress and discussed final reviews.
10. Next meeting is scheduled for March 15, 2021 at 5:00pm

Upon motion and second, the meeting was adjourned at 5:56 pm.

Submitted in final form with the concurrence of the Commission members.

Arthur Aaronson, Acting Secretary
February 22, 2021

Memorandum

February 22, 2021

Investment Working Group of the Ridgefield Pension Commission

The investment working group considered whether it made sense to issue RFPs to other investment advisory firms for investment management and pension administration.

In reviewing investment advisory firms, we took the following into consideration:

- Approximately 80% of the portfolio is invested in index funds, therefore we prefer low cost providers.
- Approximately 58% of our fund is invested in equities.
- Our fund is not large enough to efficiently use more than one firm.
- We will need administrative services such as paying retirees their monthly checks.
- We want direct access to an investment advisor assigned to our account and we want that advisor to be responsive to our needs and concerns. He or she should also attend quarterly meetings, either in person or virtually, to review results and provide updates on investment options and opportunities.

The core choices among larger pension providers are:

- Blackrock,
- State Street,
- Fidelity, and
- Vanguard

Our conclusions are as follows:

- We eliminated Blackrock because it specializes in fixed income more so than equities. In addition their fees would exceed those of Vanguard.
- We eliminated State Street because we have a conflict of interest due to two commissioners being employed there. In addition their fees would exceed those of Vanguard.
- We eliminated Fidelity because its fees were over two times Vanguard's fees and they do not make monthly payments to retirees.
- We decided to stay with Vanguard because:
 - Fund performance is competitive. (We intend to invest primarily in indexed funds for which performance is similar for all providers.)
 - Vanguard is the lowest cost provider.
 - It provides administrative services.
 - We have a responsive investment advisor.