

Ridgefield Pension Commission

Final Minutes of the Special Meeting of September 8, 2021

The meeting convened telephonically and via Zoom at 6:00p.m.

MEMBERS PRESENT: Messrs. Christofer Christiansen (Chairman), Arthur Aaronson, Thomas Hayes, Thomas Leonard, Andrew Okrongly, and Christopher Sierakowski.

MEMBER Absent: Mr. Christopher St. Victor-de Pinho.

GUESTS PRESENT: None.

1. The Commission unanimously approved payment of T R Paul's invoice dated August 11, 2021.
2. The Commission unanimously approved a motion to recommend the following to the Town:
 - a. That the Town inform the pension and OPEB actuaries that July 1, 2021 valuations should be performed using a 6.25% interest rate, and
 - b. That the part of the pension footnote which describes the derivation of the long-term expected rate of return on pension plan investments should read as shown on the following page, with the understanding that the Town should review the draft note and make any changes necessary so that the disclosure conforms to accounting disclosure requirements. The OPEB footnote should have comparable wording.
3. The Chairman confirmed that the applicable forms were timely filed for the class action suit concerning the ETF GLD.
4. The Commission discussed various administrative matters including the status of plan documents, and the updating of the Commission's Terms of Reference.
5. The Commission unanimously agreed to cancel the regularly scheduled meeting for September 20, 2021.

The next meeting of the Commission will be held October 18, 2021 at 6:00pm.

Upon motion and second, the meeting was adjourned at 6:14 pm.

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

Christofer Christiansen, Chairman
September 9, 2021

Recommended Description of the Derivation of the Long-Term Expected Rate of Return on Pension Plan Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future nominal rates of return (expected returns including inflation and without a reduction for investment related expenses) were developed for each major asset class by means of Monte-Carlo simulations. The estimated rates of returns and the plans' asset allocation were used to arrive at a long-term expected return for the pension fund. An expected rate of return of 6.25% was used.

The median long-term expected geometric return for each asset class as of June 30, 2021 is shown in the chart below.

<u>Asset Class</u>	<u>Long -Term Expected Rate of Return</u>
U.S Equities	5.3% Non
- U.S. Equities	8.0%
U.S. Aggregate Bonds	3.1%
Intermediate – Term Credit Bonds	3.6%
Short-Term Credit Bonds	3.5%
Non – U.S. Bonds	2.8%
Real Estate Investment Trusts (REITs)	4.8%