

Cromwell Fire District

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FIRE DISTRICT OFFICE
WATER DIVISION

FIRE DEPARTMENT
FIRE MARSHAL'S OFFICE

BOARD OF COMMISSIONERS

Pension Committee Meeting

Wednesday, July 5, 2023

5:30 PM

Present: Commissioners David Colligan (Chairman), Chip Darius and Rob McIntyre. Also attending was Executive Director Julius Neto. Chief Brade arrived approximately 6:00 PM from an accident scene. Commissioner Charles Epstein was absent.

- I. Call to Order. The meeting was called to order at 5:32 PM, by Chairman Colligan.
- II. Approval of Agenda. A motion was made by Commissioner McIntyre, seconded by Commissioner Darius and unanimously approved to accept the agenda as submitted.
- III. Public Comment. James Rude, 25 Highridge Road. The funded status of the volunteer pension plan has fluctuated from 150% at 6/30/21 to 95% at 6/30/22. During this time the plan's liability stayed at the level of about \$1.7 million. With the plan's assets climbing \$1.67 million as of 6/30/22, he awaits the 6/30/23 plan asset value to have a sense of the 6/30/23 funded status. However, he strongly encourages the CFD to begin their work to be in a position to distribute the assets from this terminated plan once the funded status is again over 100%. Mr. Neto received Mr. Rude's comments in an email this afternoon before this meeting. A copy is attached to the minutes on file in the Fire District Office.
- IV. New Business
 - A. Wells Fargo Update on Pension. Commissioner Colligan gave an update of what has happened over the last year or so with the Pension Committee since he became Chair. The Committee had looked into different buyout and collection options, but due to stock market conditions, it was not advisable to cash anyone out since the funds had taken a downward turn and their value had decreased. It was decided to keep everything status quo and wait for the market to bounce back. Chairman Colligan has scheduled these update meetings so the committee can be aware of pension activity as committee members.

The Executive Director introduced Zack Tracey from Wells Fargo. He is one of the same persons that visited the District about one year ago. He will provide updates on all areas associated with the volunteer pension funds. Zack is a certified financial planner. He distributed copies of the Fire District's portfolio report dated July 5, 2023. Copies are attached to the minutes on file in the Fire District Office.

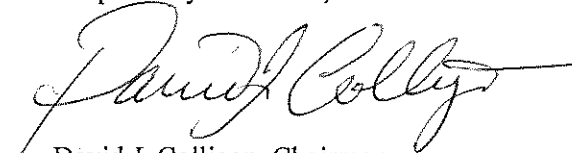
He explained that the only areas where there was money last year was Energy, CD's and cash. CD's did not start doing well until the end of the year. Inflation was up 79%. The Federal Reserve also raised rates very quickly and very sharply. The US dollar S & P was down 25%. The good news is that now they are down 19%. That is not abnormal. What was abnormal was the bond money. He explained the changes with bonds. Things are starting to turn around this year. Technology is driving the stock market this year.

Mr. Tracey is advising to stay the course with the pension funds. He will be reviewing the District's bonds in the fall. He is willing to meet with the Executive Director and the Treasurer of the District at that point to keep everyone in the loop. It costs the District approximately \$24,000 annually to maintain the pension funds. \$1,850,000 would be the number to be fully funded again. It is a comfortable level. There was a lengthy discussion regarding misinterpretations about the funds. Chairman Colligan wanted the Committee members to be informed going forward.

A motion was made by Commissioner Darius, seconded by Commissioner McIntyre and unanimously approved to accept the report given by Zack Tracey from Wells Fargo regarding the Volunteer Pension Plan.

- V. Commissioners' Comments. There were no Commissioners' comments to report.
- VI. Adjournment. There being no further business, a motion was made by Commissioner Darius, seconded by Commissioner McIntyre and unanimously approved to adjourn the meeting at 6:10 PM.

Respectfully submitted,



David J. Colligan, Chairman

Nancy Deegan
Recording Secretary