

**South Central Connecticut Regional Water Authority  
Pension & Benefit Committee**

**Minutes of the October 8, 2020 Meeting**

The special meeting of the South Central Connecticut Regional Water Authority (“RWA”) Pension & Benefit Committee took place on Thursday, October 8, 2020, via remote access. Chair Sack presided.

Present: Committee – Messrs. Sack and Messrs. Borowy, Cermola, Curseaden, and DiSalvo  
Management – Mss. Kowalski, Reckdenwald and Mr. Bingaman  
Morgan Stanley – Messrs. Kelliher, McLaughlin, and Kantapin  
Staff – Mrs. Slubowski

The Chair called the meeting to order at 11:11 a.m.

Ms. Sack stated that the objectives of the special meeting were to review RWA’s portfolio performance since being managed by Morgan Stanley and to discuss performance status and ways to avoid being under target by possibly altering the portfolio, the costs of managing the portfolio, and the target rate of return.

Messrs. McLaughlin and Kantapin, the RWA’s pension investment advisors, led a discussion on the RWA’s market expectations, returns and asset allocation, which included:

- Current and historical rates of return
- 5-7-10 year strategic benchmarks
- Salaried, union and VEBA liability cash flow
- Implications and risks
- Investment policy target

At 12:00 p.m., Mr. McLaughlin withdrew from the meeting.

Mr. Kelliher reported that the investment policy statement is reasonable but the committee should consider a gradual reduction in rates of return prior to the RWA’s next valuation.

Discussion took place regarding rate of return assumptions, contributions, and costs of managing portfolio.

After discussion, Ms. Sack reported that the observations from the meeting were to keep pursuing the seven percent target, make opportunities to reduce the cost of the portfolio, and continue to find tactical ways to enhance equity portfolios and seek out opportunities for the fund to compound growth.

At 12:26 p.m., on motion made by Mr. DiSalvo, seconded by Mr. Borowy, and unanimously carried, the meeting adjourned.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

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Suzanne Sack, Chair