

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

Minutes of the April 18, 2019 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA”) Pension & Benefit Committee took place on Thursday, April 18, 2019 at the office of the Authority, 90 Sargent Drive, New Haven, Connecticut. Chairman Sack presided.

Present: Committee – Ms. Sack and Messrs. Borowy, Cermola, Curseaden, and DiSalvo
Management – Mss. Discepolo, Kowalski, Nesteriak, Reckdenwald and Messrs. Bingaman and Norris
RPB – Mr. Slocum
Angell Pension Group, Inc. – Messrs. Bauer and Krayter
Morgan Stanley – Messrs. Kelliher and McLaughlin
Staff – Mrs. Slubowski

The Chair called the meeting to order at 12:50 p.m.

On motion made by Mr. Curseaden, seconded by Mr. Cermola, and unanimously carried the Committee approved the minutes of its January 17, 2019 meeting, as presented

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Messrs. Kelliher and McLaughlin, of Morgan Stanley, RWA’s pension investment advisor, reported on the Authority’s Quarterly Pension Investment Performance Review for its salaried plan, union plan, and RWA’s Voluntary Employees Beneficiary Association Plan (VEBA), for the period ended March 31, 2019, which included:

- Consumer confidence index
- Third party manager fees
- Investment results
- Investment grade bond funds

At 1:10 p.m., Mr. Bauer and Mr. Krayter entered the meeting.

Messrs. Kelliher and McLaughlin also discussed changes to RWA’s Investment Portfolio Services fee structure. After discussion, it was the consensus of the Committee to adopt the proposed changes to RWA’s fee structure with Morgan Stanley and to accept Morgan Stanley’s proposal of direct management of individual bonds and equities as replacements for the identified mutual funds. Both these measures reduce the fees incurred by the plans. Mr. Kelliher reported that Morgan Stanley will present an official Investment Policy Statement at the committee’s next meeting for the Authority’s approval.

Ms. Sack verified that Morgan Stanley will continue to look for additional opportunities for direct management of assets and other alternatives as well as the review of the asset allocation, and may recommend further changes at the committee’s next meeting, if necessary. Morgan Stanley will also continue to rebalance within the authorized ranges.

Messrs. Bauer and Krayter reviewed the RWA's Employees' Salaried and Union Retirement Plans and Voluntary Employee' Beneficiary Association Plan as of January 1, 2019 and discussed contributions necessary to reach fully funded status by the end of FY 2023.

After discussion, on recommendation by the actuary, it was the consensus of the Committee to not take action on changes to Employer Contributions until the committee's next meeting.

The Committee reviewed its FY 2019 work plan.

At 2:10 p.m., on motion duly made by Mr. Borowy, seconded by Mr. Curseaden, and unanimously carried, the meeting adjourned.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Suzanne C. Sack, Chairman