

TO BE APPROVED AT THE NEXT BOARD MEETING

PENSION AND RETIREE BENEFITS BOARD
WEDNESDAY February 28, 2024 5:45PM
REGULAR HYBRID MEETING MINUTES

The February 28, 2024 Pension and Retiree Benefits Board Meeting was a hybrid meeting was accessible through Microsoft Teams by dialing +1 929-235-8441, access code 630107676#. This call was recorded.

1. The meeting was called to order by John Murphy, Chairman at 5:46 PM
2. **Roll Call:**

PRESENT: John Murphy, Chairman
Esther B. Clarke, Member via teams
Marcus Rice, Member
Ellen McCreery, Member
Harry Amadasun, Member

ALSO PRESENT: Melissa McCaw, Finance Director
John O'Connor, Freedom Advisors
Ben Lavine, Freedom Advisors
Chris Kachmar, Fiducient
Matt Fratini, Fiducient
Tyron Harris, HR Director via teams

2024 MAR -4 AM 10:32
TOWN CLERK
EAST HARTFORD

Kelley B. Boleman

3. **PUBLIC PARTICIPATION:** None

4. **ACCEPTANCE OF MINUTES:**

- a. Acceptance of Minutes of Regular Hybrid Meeting of January 24 , 2024
One correction by Chair Murphy, he was present not remote. Motion to accept January 24, 2024 meeting minutes with one correction made by Esther Clarke and Marcus Rice seconded motion. All in favor. Motion approved.

5. **REPORTS:**

- a. Pensions and OPEB Trust:
 1. Retirement Reports as of January 31, 2024 – Melissa McCaw
 2. Fiducient Report – Chris Kachmar and Matt Fratini
 3. Freedom Advisors – John O'Connor and Ben Lavine

Finance Director McCaw provided an update, reviewed Market Value of Investments for Pension Fund and OPEB Trust.

*YTD thru January 2024

OPEB Trust				
	FY2023 Actuals	Town	FY2024 BOE	Total
Proj Revenue Sources	7,554,909	5,337,486	1,443,464	6,780,950
Total Proj Expenditure Sources	6,844,244	4,726,621	1,719,034	6,445,655
		73%	27%	100%
Projected Net Surplus (Deficit)	13,269,144	8,258,963	5,345,476	13,604,439

Month	PENSION FUND				OPEB		
	Aetna	Schwab Equity 3DL	Schwab Fixed Fiduc	Total Portfolio	Fiducient Bonds	3DL Equities	TOTAL
Start of Year	3,213,419	143,017,887	82,732,652	228,963,958	5,059,260	8,209,884	13,269,144
Town Contribution		22,504,398		22,504,398	820,400	1,230,600	2,051,000
July, 23	3,158,388	146,143,724	83,030,323	232,332,436	5,903,044	9,754,975	15,658,019
August, 23	3,240,230	160,924,284	83,213,003	247,377,517	6,198,962	9,175,044	15,374,006
September, 23	3,253,853	153,161,165	81,175,603	237,590,620	6,029,253	8,865,210	14,894,463
October, 23	3,198,680	145,566,889	79,959,609	228,725,178	5,933,790	8,575,729	14,509,519
November, 23	3,279,907	153,694,983	83,549,127	240,524,018	6,214,645	9,202,155	15,416,799
Boe Contribution		397,130		397,130			
December, 23	3,271,687	160,172,636	86,944,389	250,388,713	6,477,552	9,728,009	16,205,561
January, 24	3,261,058	156,100,435	86,761,881	246,123,374	6,462,902	9,639,914	16,102,816

There is a \$1.7M transfer to the OPEB Trust Fund per Town Ordinance 10-52; undesignated reserve fund exceeds 10.25% of total budget appropriation for such fiscal year, the budget surplus shall be appropriated to the OPEB Trust Fund.

Chair moves to next item.

Chris Kachmar and Matt Fratini of Fiducient reviewed Market Themes and Fixed Account Report as of January 31, 2024 for both the Pension and OPEB accounts which were valued at \$86,750,961 and \$6,462,902 respectively.

	MTD	FISC YTD	1YR	3YR	5YR
Pension	-0.7	5.6	6.0	3.9	5.3
Benchmark	0.1	6.1	9.7	2.9	6.9
OPEB	-0.2	4.0	2.8	-2.6	1.6
Benchmark	-0.2	3.1	2.2	-2.9	1.0

Chris Kachmar – the fixed income is down 3%. Markets are unsettled; chance of a recession are fairly low. Pension down 2%. Met West is now gone and replaced with Dodge and Cox. Their report will show on next months.

Matt Fratini – Positive return for Blackrock and Loomis performed nicely. OPEB Trust-Met West came out and dollars recycled to Harbor Core.

John O'Connor and Ben Lavine reporting as Freedom Investment Management. Reviewed the Equity Asset Management reports for Pension and OPEB as of January 31, 2024. Reports show the Equity portion of the investment value is at \$156,100,435.06 and \$9,639,913.77 respectively.

	<u>MTD</u>	<u>YTD</u>	<u>1YR</u>	<u>3YR</u>	<u>5YR</u>
Pension Investment	-0.96	-0.96	7.89	7.30	7.12
Pension Cash	0.21	0.21	2.45	0.89	0.68
OPEB	-0.91	-0.91	7.96	6.81	6.76

John O'Connor – Points out that it has been many years since we've seen 2.2% in the cash account, sold some equities at an opportune time. Month to date down less than 1%.

Ben Lavine – periodic performance report; challenging month. Mid and small capped lag behind in performance. First rate cut is now pushed up to June.

Harry Amadasun – concept of higher for longer, what's the trigger on equity side? What's the threshold set at?

John O'Connor – first we look at overall equities and fixed income. Equities performing well. Looking over the next 8 weeks. Take advantage of run off and move that cash within the strategies. Buy low, sell high.

Chair moves to next item.

6. COMMUNICATIONS – no action

Chris Connolly – Retired 1/18/2024 (PD)

Robert Pronovost –Retired 1/18/2024 (PD)

7. NEW BUSINESS: none

8. OLD BUSINESS:

Director McCaw updated the board on the pension actuary, applications due back on March 14, 2024. Interview the firms in April and/or May. Goal to award a firm in May and a contract by July 1.

9. APPROVAL OF DISBURSEMENTS:

- | | |
|---|-----------|
| a. Clerk for Pension & Ret. Benefit Board meeting for 2/28/24 | \$ 125.00 |
| b. Segal Invoice # ES006575 - Benefits calculation | \$ 700.00 |

Motion by Marcus Rice to pay clerk for 2/28/24 meeting. Motion seconded by Ellen McCreery.
All in favor. Motion approved.
Motion by E. McCreery to pay Segal invoice#ES006575 for \$700. Motion seconded by M. Rice.
All in favor. Motion approved.

10. QUESTIONS BY BOARD MEMBERS: none

11. ADJOURNMENT:

There being no further business,
Chairman Mr. Murphy enters motion to be made for adjournment.

Motion by E. McCreery to adjourn meeting, seconded by Mr. Rice to adjourn meeting at 6:21PM
All in favor. Motion was approved.

Next meeting March 27, 2024 at 5:45PM
Location Community Cultural Center, 50 Chapman Street

Respectfully submitted,
Sana Hart, Clerk