

TO BE APPROVED AT THE NEXT BOARD MEETING

PENSION AND RETIREE BENEFITS BOARD
WEDNESDAY March 27, 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 853373050#. 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
Ellen McCreery, Member
Harry Amadasun, Member

ABSENT: Marcus Rice, Member-Excused
ALSO PRESENT:

Melissa McCaw, Finance Director
John O'Connor, Freedom Advisors
Ben Lavine, Freedom Advisors
Chris Kachmar, Fiducient
Matt Fratini, Fiducient

2024 APR -2 AM 11:00
TOWN CLERK
EAST HARTFORD

Kelly Silberman

3. **PUBLIC PARTICIPATION:** None

4. **ACCEPTANCE OF MINUTES:**

- a. Acceptance of Minutes of Regular Hybrid Meeting of February 28 , 2024
Motion to accept February 28, 2024 meeting minutes made by Esther Clarke and Ellen McCreery seconded motion.
All in favor. Motion approved.

5. **REPORTS:**

- a. Pensions and OPEB Trust:
 1. Retirement Reports as of February, 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 February 2024

FY 1D thru February 2024

OPEB Trust							
	FY2023 Actuals	Town	FY2024 BOE	Total			
Proj Revenue Sources	7,554,909	5,492,868	1,448,110	6,940,978			
Total Proj Expenditure Sources	6,844,244	4,702,755	1,832,867	6,535,622			
		72%	28%	100%			
Projected Net Surplus (Deficit)	13,269,144	8,438,211	5,236,289	13,674,499			
	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
				-			-
February, 24	3,280,278	158,055,175	85,742,549	247,078,002	6,387,196	9,920,894	16,308,090

Over all it was a decent month. Showing an increase by 7.9%. Fully paid ADC for Fiscal year 2024. Contributions into fund of \$1.75M. We will be able to cover our expenses.

Chair moves to next item.

Chris Kachmar and Matt Fratini of Fiducient reviewed Market Themes and Fixed Account Report as of February 29, 2024 for both the Pension and OPEB accounts which were valued at \$86,699,425 and \$6,387,196 respectively.

-Chris Kachmar-February off to a slow start for fixed income. Markets expectations for the timing of Federal rate cuts in 2024, going from five to three, maybe starting in June. Economy generally in decent shape, corporate fundamentals are solid.

-Matt Fratini- Two manager standouts; BlackRock and Dodge & Cox. All the managers are performing close to their benchmarks.

-Ms. McCaw- Brandywine is struggling.

-Matt Fratini – we are monitoring

-Chris Kachmar- they are fairly new, with inception date of 2020.

-H. Amadasun- are there other manager that are similar to Brandywine

-C. Kachmar- yes the teams are watching to see if any produce better, there is a short list that are being watched.

-Matt Fratini continues with report for OPEB Trust, fiscal YTD above benchmark. Harbor Core has been added, as a nice compliment.

		FISC			
	<u>MTD</u>	<u>YTD</u>	<u>1YR</u>	<u>3YR</u>	<u>5YR</u>
Pension	1.25	7.1	10.6	3.6	5.4
Benchmark	2.3	8.5	15.4	3.3	7.0
OPEB	-1.2	2.7	4.4	-2.6	1.3
Benchmark	-1.4	1.7	3.4	-2.9	0.7

John O'Connor and Ben Lavine reporting as Freedom Investment Management. Reviewed the Equity Asset Management reports for Pension and OPEB as of February 29, 2024. Reports show the Equity portion of the investment value is at \$155,371,275.54 and \$9,920,894.32 respectively. John O'Connor – new format for report, working on a new system. Pie chart of the asset allocation, 60% US equities and 40% of foreign equities. Household transaction report explained.

-Ben Lavine breakdown of US markets, foreign markets into emerging markets.

-H. Amadasun given the AI craze driving the equities. Feel we are in a bit of a conservative position, realize things smooth over time. If we are really leaning into the AI, at what point do we make a decision.

-Ben Lavine long term study at different markets-NVidia, Microsoft, META performed in line with their markets, no specific excess return in concentrating on those names. In AI we don't know who the beneficiaries will be.

-H. Amadasun how do we position ourselves, competition is rapid.

-Ben Lavine we believe in diversification, we are capturing some of it.

-Ms. McCaw- Should there be minor adjustments.

-John O'Connor we do make minor adjustments to the asset allocation, advocate for a long term outlook.

-M. McCaw the discussions during budget meetings, this council looks into the long term. We are maximizing our opportunities. Looking for your guidance in this.

	<u>MTD</u>	<u>YTD</u>	<u>1YR</u>	<u>3YR</u>	<u>5YR</u>
Pension Investment	3.02	2.03	14.38	7.07	7.37
Pension Cash	0.27	0.48	2.68	0.99	0.72
OPEB	2.92	1.98	14.51	6.72	7.06

Chair moves to next item.

6. COMMUNICATIONS – no action

1. Randy Courchesne – Retired 2/10/2024-Fire
2. Joseph Sousa-Retired 2/29/24-Public Works

7. NEW BUSINESS:

Ms. McCaw reports that the RFP for actuaries has closed. We have six responses; Bolton, Cavanaugh, GRS, Ledderback, Milliman and Segal.

Will begin the interviews in April. Will need what members are interested and dates to review and dates for interviews. Harry Amadasun volunteered as well as Esther Clarke.

8. OLD BUSINESS: none

9. APPROVAL OF DISBURSEMENTS:

- | | |
|---|-----------|
| a. Clerk for Pension & Ret. Benefit Board meeting for 3/29/24 | \$ 125.00 |
| b. Segal Invoice # ES007251 - Benefits calculation | \$ 875.00 |

Motion by Ellen McCreery to pay clerk for 3/29/24 meeting. Motion seconded by Harry Amadasun. All in favor. Motion approved.

Motion by Esther Clarke to pay Segal invoice#ES0072651 for \$875.00. Motion seconded by Ellen McCreery. 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 Esther Clarke to adjourn meeting, seconded by Harry Amadasun to adjourn meeting at 6:51PM
All in favor. Motion was approved.

Next meeting April 24, 2024 at 5:45PM
Location Community Cultural Center, 50 Chapman Street

Respectfully submitted,
Sana Hart, Clerk