

TO BE APPROVED AT THE NEXT BOARD MEETING

**PENSION AND RETIREE BENEFITS BOARD**  
**WEDNESDAY April 24, 2024 5:45PM**  
**REGULAR HYBRID MEETING MINUTES**

**The April 24, 2024 Pension and Retiree Benefits Board Meeting was a hybrid meeting was accessible through Microsoft Teams by dialing +1 929-235-8441, access code 382012411#. 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  
Marcus Rice, via teams  
Esther B. Clarke, 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

3. **PUBLIC PARTICIPATION:** None

4. **ACCEPTANCE OF MINUTES:**

- a. Acceptance of Minutes of Regular Hybrid Meeting of March 27, 2024  
Motion to accept March 27, 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 March, 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.

TOWN CLERK  
EAST HARTFORD

2024 APR 29 AM 8:18

Kelley Kibodeaux

YTD thru March 2024

## OPEB Trust

	FY2023 Actuals	Town	FY2024 BOE	Total
Proj Revenue Sources	7,554,909	5,649,871	1,700,489	7,350,361
Total Proj Expenditure Sources	6,844,244	4,521,450	1,798,468	6,319,918
		72%	28%	100%
Projected Net Surplus (Deficit)	13,269,144	8,776,520	5,523,067	14,299,586

  

PENSION FUND					OPEB		
Month	Aetna	Schwab Equity 3DL	Schwab Fixed Fiduc	Total Portfolio	Fiduciant 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
March, 24	3,283,537	161,033,174	86,531,985	250,848,696	6,450,867	10,282,018	16,732,885
April, 24							
May, 24							
June, 24							
Change, Monthly	3,259	2,978,000	789,435	3,770,694	63,671	361,124	424,795
% Chg, Monthly	0.1%	1.9%	0.9%	1.5%	1.0%	3.6%	2.6%
Total Change, SOY	70,118	18,015,287	3,799,333	21,884,738	1,391,607	2,072,134	3,463,741
Total % Change	2.2%	12.6%	4.6%	9.6%	27.5%	25.2%	26.1%

Retiree Benefit Trust Fund a balance of \$17.5 M. OPEB trust analysis, claims are moderate, overall in a decent position. YTD budget report, a net revenue of \$24.1M. Positive market performances, gains exceed our expenses.

M. McCaw- On the pension fund side we started the year with \$228M and ended at \$250.8M with an increase of 1.5%. On the OPEB previous month was \$16.3M and ended the month at \$16.7M, favorable improvement.

Questions-

-E. Clarke – are we losing employees more than gaining?

-M. McCaw- we have been pretty steady, Retiree Benefit Trust Fund a balance of \$17.5 M. OPEB trust analysis, and claims are moderate, overall in a decent position. YTD budget report, a net revenue of \$24.1M. Positive market performances, gains exceed our expenses.

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-E. Clarke – are we losing employees more than gaining?

-M. McCaw- we have been pretty steady, typically we see the most loses in Police and Fire. Fire Department, Chief Hawkins says they are at max headcount. Will take a look and talk with Segal. Just received a pension revaluation report from Segal I will send out to the committee, does have a rate of employees.

-E. Clarke it seems to me if we don't have any new employees coming in to pay into the plan, not going to get enough coming in, has to be a balance.

Chris Kachmar and Matt Fratini of Fiducient reviewed Market Themes and Fixed Account Report as of March 31, 2024 for both the Pension and OPEB accounts which were valued at \$86,478,193 and \$6,451,029 respectively.

-Chris Kachmar- stable economy, the Fed has taken action on the rate front. When will Fed do rate cuts? Expectation is that it's pushed out with a 2 -4% cuts. Treasury yield curve at the 10 year up 4.6%, head wind for fixed income; fundamentals are solid.

-Matt Fratini-first full month for performance on Dodge & Cox in line with the benchmark. Loomis showing a strong performance. BlackRock strong quarter. Brandywine highest conviction manager, experience team has been doing this a longtime. When global bonds do well can generate compelling returns.

-M. McCaw – Brandywine works complimentary with other managers, is it designed that it offsets other managers?

-Ben Lavine-March was an unusual month for fixed income.

-H. Amadasun-diversification; what's our risk tolerance

-M. McCaw- assumed investment rate of return, if working in portfolio to counteract other managers to maximize rate of return, is it achieving its intended return?

-C. Kachmar- yes it is designed along with equity programs.

	FISC				
	<u>MTD</u>	<u>YTD</u>	<u>mrk1YR</u>	<u>3YR</u>	<u>5YR</u>
<b>Pension</b>	2.7	10.0	12.6	3.6	5.8
<b>Benchmark</b>	2.4	11.1	15.2	3.6	7.2
<b>OPEB</b>	1.0	3.7	3.3	-1.9	1.2
<b>Benchmark</b>	0.9	2.6	1.8	-2.2	0.5

John O'Connor and Ben Lavine reporting as Freedom Investment Management. Reviewed the Equity Asset Management reports for Pension and OPEB as of March 31, 2024. Reports show the Equity portion of the investment value is at \$152,816,081.58 and \$10,282,017.90 respectively.

John O'Connor on page one of report for OPEB Trust there is a total value of \$10.3M. Next page of report is asset allocation for pension. Retirement cash account with balance of \$8.2M.

Discusses the periodic performance, trading along nicely.

Ben Lavine on last page on report, mid and small cap have been struggling. Broadening out of markets small caps struggling more than large caps. Good overall month for the U.S.

International core out performed International value. Emerging markets lag. U.S. remains favored market coming out of pandemic.

-H. Amadasun-thinking about other municipalities; is everyone else in this, sit back and wait. Are they making other types of moves?

-J. O'Connor- institutions have a disciplined plan, have a long outlook, broadband investment policy.

-C. Kachmar-progress in terms of our allocation to get us where we want to go, healthy respect of fees. Rebalancing and be patient with managers.

-M. McCaw- with other clients, are you achieving? Are we in the ballpark, above or below 50%?

-H. Amadasun-How are we building our argument, building our portfolio?

-M. McCaw-are we at 75% percentile? Are we doing well with other municipalities?

-J. O'Conner- all relatively the same. We are 50% funded status compared to other municipalities that are the same.

	<u>MTD</u>	<u>YTD</u>	<u>1YR</u>	<u>3YR</u>	<u>5YR</u>
Pension Investment	3.81	5.92	18.47	6.79	8.07
Pension Cash	0.42	0.90	3.06	1.13	0.79
OPEB	3.64	5.70	18.28	6.49	7.73

Chair moves to next item.

**6. COMMUNICATIONS – no action**

Keith Ledoux-Retired 3/3/24 (Police)

**7. NEW BUSINESS: none**

**8. OLD BUSINESS: none**

**9. APPROVAL OF DISBURSEMENTS:**

- |   |            |
|---|------------|
| a. Clerk for Pension & Ret. Benefit Board meeting for 4/24/24 | \$ 125.00  |
| b. Fiducient Quarterly Invoice#352_03312024                   | \$ 8750.00 |
| c. Segal Invoice ES008040 benefit calculations                | \$ 175.00  |

Motion by Esther Clarke to pay clerk for 4/24/24 meeting. Motion seconded by Ellen McCreery. All in favor. Motion approved.

Motion by Ellen McCreery to pay Fiducient Invoice #352\_03312024 for \$8750.00. Motion seconded by Harry Amadasun. All in favor. Motion approved.

Motion by Esther Clarke to pay Segal Invoice ES008040 for \$175.00. Motion seconded by Ellen McCreery. All in favor. Motion approved.

**10. QUESTIONS BY BOARD MEMBERS:**

-Esther Clarke-where do we stand on the pension account meetings?

-Melissa McCaw-will schedule for May. Will reach out for dates, 4 to 5 to schedule and will take 4-5 hours or split into 2 days. Will have tools to evaluate them, then bring them in for interviews. Complete them in May. Put them in the agenda in June for doing contracts. Tyron Harris and Terry Jones will also be there for the interviews.

**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 Ellen McCreery to adjourn meeting at 7:03PM  
All in favor. Motion was approved.

Next meeting May 22, 2024 at 5:45PM  
Town Hall Welling Room

Respectfully submitted,  
Sana Hart, Clerk