

**A special meeting of the Town of West Hartford Pension Board was held on  
Monday, December 16, 2019 at 7:45 a.m. in Room 217 of Town Hall.**

**I. Roll Call/Attendance**

Present: Chair Nancy Dean, Commissioners Eric Halpern, Alan Lebow, Brittany Bermingham, and Lazaro Guzman, Peter Privitera, Director of Finance, Rick Ledwith, Executive Director of Human Resources, and Lori Kearney, Clerk.

Guests: Mayor Shari Cantor, Lieutenant Michael Alquist, Officer Robert Riccobon, Chris Kachmar, FIA, Becky Sielman, Yelena Pelletier, and Jen Castelhana from Milliman.

Absent: Matt Hart, Town Manager and Lee Gold, Town Council.

**II. Chair's Opening Comments**

A. Chris Kachmar will provide a summary of the November flash report and an update on the January 2020 meeting.

**III. Chris Kachmar, Investment Review, FIA**

A. November flash report

1. Review of capital markets
2. West Hartford Pension Plan portfolio balance of \$21,673,314 as of November 30, 2019.
3. Asset allocations approximating target weight allocations.
4. Portfolio performance up 18.4% YTD

B. January 2020 meeting (investment focused)

1. Board members should direct questions or comments for the January meeting to Chris for incorporation into the January meeting.

**IV. Peter Privitera, Director of Finance**

A. Milliman presentation on the valuation and discount rate scenarios

1. Town's pension contribution based on a fiscal year basis.
2. Milliman uses a smoothing mechanism; market increases/decreases not felt immediately due to smoothing.
3. A full valuation of the town pension plan is performed in the odd number years. The present valuation is a full valuation based on data as of 6/30/2019 with a report date of 7/1/2019.
4. Milliman does not recommend extending the amortization period.
5. Amortization growth rate is set at a conservative 1.75%. It could be moved up modestly to 2.75%. The normal rate of budget increase can be considered when setting the amortization growth rate. Peter indicated the budget target is to get below a 3% tax increase. An amortization growth rate of 2.75% seems reasonable.
6. Milliman is using the new Pub-2010 mortality table for public sector employees and recommends using the MP Ultimate mortality improvement scale for the valuation.
7. Eric requests an asset allocation based on plan member demographics. FIA and Milliman will prepare this information.
8. Rating agencies will review the Town's discount rate and use of the new mortality tables.
9. Peter suggests using Pub-2010, MP Ultimate, a 7% discount rate, and a 2.75%

amortization growth rate. The Pension Board is to determine the four criteria for the valuation.

10. Mayor Cantor proposes a 6.99% interest rate.

**Motion by Peter Privitera for the Pension Board to approve use of the Pub-2010 mortality table, the MP Ultimate mortality improvement scale, a 6.99% discount rate, and a 2.75% amortization growth rate and for Milliman to recalculate the contribution amount and provide a 20 year forecast for the January meeting. (Second/Lazaro Guzman).** Discussion followed.

11. Milliman will build in future reductions of 1/8% down to a 6.5% discount rate.
12. Mayor Cantor would like the pension obligation bond analysis to be done by Milliman simultaneously. She anticipates a workshop will be scheduled for the Town Council and Pension Board in mid-April.
13. Alan is concerned as to what the numbers mean for future years and funding in future years.
14. Eric supports the use of the Pub-2010, MP Ultimate, and the amortization growth rate of 2.75%, but considers a discount rate of 6.99% to be too high. He suggests that the discount rate is being brought down too slowly and that it needs to be reduced lower than 6.99%.

After discussion, Chair Dean called for a vote to approve the use of the Pub-2010 mortality table, the MP Ultimate mortality improvement scale, a 6.99% discount rate, and a 2.75% amortization growth rate and for Milliman to recalculate the contribution amount and provide a 20 year forecast for the January meeting.

**The motion was not unanimously approved. Five in favor, one opposed (Eric Halpern). Motion carried.**

V. Brittany Bermingham, Assistant Zoning Enforcement Officer, Town Matters

A. No report

VI. Rick Ledwith, Executive Director of Human Resources

A. Meeting schedule for 2019

1. December 16, 2019 is the final meeting for 2019.

B. Meeting schedule for 2020

1. Review of meeting dates (including rescheduled January meeting)
2. Possible meeting to be held in March 2020
3. Pension obligation bond workshop with Town Council and Pension Board mid-April

VII. Formal Actions

A. Minutes

1. Approval of the minutes for the regular meeting on Monday, November 18, 2019.

**Motion by Brittany Bermingham to approve the minutes for the regular meeting on Monday, November 18, 2019. (Second/Eric Halpern)**

**It was unanimously voted to approve the minutes for the regular meeting on Monday, November 18, 2019.**

B. Pension Administration

**Motion by Peter Privitera to approve pension administration. (Second/Eric Halpern)**

1. Memberships

**It was unanimously voted to approve membership for Kathy Early, Police; Catherine George-Ketcy, BOE; Jeffrey Jankowski, BOE; Belinda Lugo, BOE; and Andriana Stefak, Human Resources.**

2. Terminations and Refunds  
**It was unanimously voted to approve terminations and refunds for Cynthia O’Laughlin, BOE.**
  3. Applications for approval
    - a. Vested interest applications  
**It was unanimously voted to approve a vested interest application for Amy McCue, Library and Ernestine Nobou, BOE.**
    - b. Early retirement applications  
**It was unanimously voted to approve an early retirement application for Maria Sembrakis, BOE and Mark Sorel, Police.**
    - c. Normal retirement applications  
**It was unanimously voted to approve a normal retirement application for Anthony Anderle, Police; Lee Ann Barrieau, Contingent Annuitant of Paul Barrieau, BOE; and Joseph Doran, Grounds.**
    - d. Survivor applications  
**It was unanimously voted to approve a survivorship application for Amy Marrotte, survivor of David Dubiel, Police and Barbara Parent, survivor of Morris Parent, Fire.**
  - C. Invoices for consideration
    1. Pension Plan Administration
      - a. Reid & Riege, PC  
Consideration of invoice for payment for legal services rendered through 10/31/2019 in the amount of \$1,972.35. Invoice date 10/21/2019.  
**Motion by Eric Halpern to approve the invoice for payment (Second/Brittany Bermingham)**  
**It was unanimously voted to approve the invoice for payment for the Reid & Riege, PC invoice dated 10/21/2019 in the amount of \$1,972.35.**
- VIII. New Business (No new business permitted at special meeting.)
- IX. Adjournment  
**Motion by Peter Protera to adjourn meeting at 9:47 a.m. (Second/Brittany Bermingham)**  
**It was unanimously voted to adjourn.**

Attest:



Lori Kearney, Clerk of the Board