

**A special meeting of the Town of West Hartford Pension Board was held on
Monday, February 26, 2018 at 7:45 a.m. in Room 217 of Town Hall.**

I. Present

Chair Nancy Dean, Commissioners Eric Halpern, Lazaro Guzman, and Stephen Schunder, Peter Privitera, Director of Finance, and Richard Ledwith, Executive Director of Human Resources.

II. Guests

Mayor Shari Cantor (via telephone); Chris Barnes, Town Council; Alan Lebow, West Hartford resident; Pat Alair, Corporation Counsel; Chris Kachmar and Oakley Duryea, Fiduciary Investment Advisors.

III. Chair's Opening Comments

- A. Pat Alair, Corporation Counsel, in attendance to discuss the letter from State Treasurer, Denise Nappier, regarding Wells Fargo CRA rating.
- B. Oakley Duryea, International Analyst with FIA, in attendance with Chris to discuss the currency hedge portfolio allocation.

IV. Peter Privitera, Director of Finance, Financial Matters

- A. State Treasurer's letter regarding Wells Fargo CRA rating
 - 1. Two external legal opinions: one suggests that the funds should be taken out of Wells Fargo, the other suggests that the Town does not need to do so.
 - 2. Peter requested a legal opinion from the Town's Corporation Counsel.
 - 3. Prior to providing his opinion, Pat Alair advised the Pension Board that he is not the Board's attorney. John Jacobson/Reid & Reige is the pension plan attorney. He also stated that the Town's Code of Ethics requires that he disclose that as a pensioner, he is a beneficiary of the Town.
 - 4. Prior to the meeting, Pat discussed the State Treasurer's letter with John Jacobson. He indicated that the Board may wish to consult with Reid & Reige.
 - 5. CT statute prohibits a municipality to put funds in a bank with a "Needs to Improve" rating.
 - 6. Pat contacted the attorney FIA consulted with. The attorney from Robinson & Cole advised that the Pension Board is not subject to the requirements of the CT statute because the statute applies to municipalities, and the Pension Board is not a municipality. The statute would apply to the Town. Pat agrees.
 - 7. The letter Robinson & Cole provided to FIA, however, does not answer the question of whether we should keep funds with Wells Fargo.
 - 8. Important to consider public opinion. How would it be viewed if funds remained on deposit in a bank with a "Needs to Improve" rating?
 - 9. Legally, there is no requirement to move pension funds and comply with the Treasurer's letter and statute.
 - 10. Of Chris's Connecticut municipal clients, none have moved funds from Wells Fargo and/or Santander to date.
 - 11. If the Board chooses to conduct the RFI process, FIA would assist with no additional fee. There would be no buying and selling involved. It would be a journal transfer from one institution to another institution. Chris sees no downside to going through the RFI process.
 - 12. Chair posed two questions for the Board -
 - a. Do we consult with Reid & Riege?
 - b. Do we go out to bid?

13. Peter's opinion is that further consultation with John Jacobson is not necessary since Pat Alair has already discussed the matter with John.

Motion by Lazaro Guzman to perform the RFI process. Motion seconded by Eric Halpern.

**It was unanimously VOTED:
To perform the RFI process.**

14. Timeframe - FIA will have the proposal to the market shortly. They will allow three to four weeks for responses. They will need a few weeks to summarize the information for the Pension Board. They can have the results for the May meeting.

B. Currency hedge portfolio allocation

1. January 2018 flash report provided.
2. International equity: Acadian reviewed at last meeting
3. FIA was asked to find other options. Not many hedged options available with long term track records. State Street Hedged International Developed Equity was added to the discussion.

Motion by Eric Halpern to follow FIA recommendation to move funds to Acadian Non-US All-Cap Hedge. Motion seconded by Lazaro Guzman.

**It was unanimously VOTED:
To follow FIA recommendation to move funds to Acadian Non-US All-Cap Hedge.**

V. **Chair's Closing Comments**

- A. Possible Special Meeting prior to the May meeting to review RFI proposals.
- B. May meeting used to interview firms.

VI. **Adjournment**

Motion by Stephen Schunder to adjourn meeting at 8:45 a.m. Motion seconded by Lazaro Guzman.

**It was unanimously:
VOTED: To adjourn the meeting.**

Attest:



Lori Kearney, Clerk of the Board