

A regular meeting of the Town of West Hartford Pension Board was held on Monday, February 12, 2018 at 7:45 a.m. in Room 400 of Town Hall.

Present: Chair Nancy Dean, Commissioners Eric Halpern, Lazaro Guzman (via telephone), and Stephen Schunder, Peter Privitera, Director of Finance, and Richard Ledwith, Executive Director of Human Resources.

Guests (2): Mayor Shari Cantor (via telephone); Chris Barnes, Town Council; Alan Lebow, West Hartford resident; Police Lieutenant Michael Alquist, West Hartford resident; Kimberly Boneham, Corporation Counsel; Chris Kachmar, Fiduciary Investment Advisors.

Chair's Opening Comments (1)

- A. Kimberly Boneham, Deputy Corporation Counsel, introduced to the Pension Board.
- B. Kimberly was invited to speak on the topic of governance.

Nancy Dean (3), Chair

- A. Governance – Corporation Counsel
 - 1. Sources of rules governing meetings
 - a. Freedom of Information Act
 - b. Robert's Rules of Order
 - 2. The Pension Board is a public agency and is required to follow FOIA
 - 3. A meeting is any quorum of a multimember public agency.
 - a. The Pension Board is comprised of 6 members (5 electors plus the Director of Finance). Four is a quorum. With the current vacancy, however, three is a quorum.
 - b. Emails that involve a quorum may constitute a meeting
 - 4. Discussion of general meeting rules and differences between/requirements of regular and special meetings.
 - 5. Chance meetings or social gatherings not intended for discussing official business and communications regarding the notice of meetings or meeting agendas are not meetings.
 - 6. A quorum present at an official meeting of another agency is also not a meeting.
 - 7. Executive sessions can be held on certain matters with attendance limited to members of the agency or those invited. While the discussion may be held in executive session, the vote to take action must be held in public.
- B. Investment Policy Statement
 - 1. Presently in draft form and under revision with Chris Kachmar's assistance.
 - 2. Will be reviewed and included on the May agenda.

Peter Privitera (4), Director of Finance, Financial Matters

- A. Wells Fargo Community Reinvestment Act (CRA) rating
 - 1. Discussion of the State Treasurer's letter alerting Connecticut municipalities of Wells Fargo Bank's CRA rating of "Needs to Improve."
 - 2. Question as to whether trust funds are included in the letter's direction.
 - 3. Attorney FIA consulted with indicated this letter would not apply to trust funds.
 - 4. Peter requested Corporation Counsel's opinion. Corporation Counsel was not ready to offer an opinion at the time of this meeting.
 - 5. RFP process would be required to select another financial institution. Peter would execute this process.
 - 6. Upon receipt of Corporation Counsel's opinion, Peter will speak with the Town Manager.

Chris Kachmar (5), FIA, Investment Review

- A. Quarterly Investment Review – 4th quarter 2017
 - 1. Period of synchronized global growth.
 - 2. Very positive returns on domestic equity and international equity for 2017; more modest, but positive, returns on fixed income for 2017.
 - 3. William Blair Institutional International Growth – terminate status for 4th quarter 2017
- B. Pier Capital fee construct
 - 1. Pier Capital invoice presented for approval totals \$75,727.90 and includes an incentive fee of \$63,675 for 2017.
 - 2. The current incentive fee construct has been in place since around 2000.
 - 3. Pier Capital receives a lower base fee but when it outperforms the benchmark, it receives a 20% incentive fee. 40 basis points plus 20% incentive fee versus flat fee.
 - 4. The Town has paid approximately \$2800 more under the current incentive fee structure than if it had used the flat fee structure.
 - 5. Flat fee structure provides greater consistency for budgeting.
 - 6. Pier Capital says they are willing to apply any fee structure the Town wants.
 - 7. Following discussion, the Pension Board agreed to keep the fee structure as it is.
- C. Increased international equity with a currency-hedged option
 - 1. At last meeting, the Board voted to increase international equity to 21.5% and include currency hedged funds.
 - 2. FIA presented Acadian as the investment manager for review.
 - 3. Lazaro noted that Acadian only has a 30-month track record as currency hedger and asked whether a hedged index was available.
 - 4. Chris suggested the option of funding Acadian in a non-hedged version first.
 - 5. Motion by Eric Halpern to begin reallocation of the portfolio in accordance with the implementation proposal and to hold off on the hedged portion. Motion seconded by Steve Schunder.

It was unanimously:

- VOTED: To begin reallocation of the portfolio in accordance with the implementation proposal and to hold off on the hedged portion.
- 6. Special Meeting will be scheduled in two weeks to discuss the hedged portion.

Stephen Schunder (6), Town Matters

Rick Ledwith (7), Executive Director of Human Resources

- A. Proposed meeting schedule for 2018 – Special Meeting to be added to the 2018 schedule.
- B. Disability pension – Joseph Patnoe
 - 1. Workplace injury occurred in 2016
 - 2. The Risk Management Division in conjunction with the workers' compensation attorney received notification that Mr. Patnoe had reached Maximum Medical Improvement and cannot perform his job.

Formal Actions (8)

Minutes (8A)

- A. The January 8, 2018 minutes will be revised to show that Peter Privitera seconded the motion to name Eric Halpern as Coordinator of Actuarial Services, Lazaro Guzman as Coordinator of Investment Services, and Lori Kearney as Clerk of the Board.
- B. The revised minutes will be presented to the Pension Board for approval at the May meeting.

Pension Administration (8B)

- A. Motion by Stephen Schunder to approve pension administration. Motion seconded by Eric Halpern.

Memberships (8B-1)

It was unanimously:

VOTED: To approve Membership for:

Michael DiTaranto, BOE; Suretha Koontz, BOE; Deborah Penn, BOE; Nicole Salter, Police.

Refunds & Terminations (8B-2)

There were no refunds or withdrawals presented for approval.

Retirement Applications (8B-3, a-e)

It was unanimously:

VOTED: To approve a Vested Interest for:

Sandra Mickewicz, Non-Public School Nurse.

It was unanimously:

VOTED: To approve an Early Retirement for:

Jeffrey Roller, Information Technology.

It was unanimously:

VOTED: To approve a Normal Retirement for:

William Blakesley, Public Works; Julio Chavarro, BOE; Richard Gesualdi, Police; Tracey Gove, Police; Kathleen LaBranch, BOE; Joan Moiger, BOE; Lori Sandwell, Financial Services, Elisabeth Werner, Fire.

It was unanimously:

VOTED: To approve Survivorship benefits for:

Roberta Benacquisto (survivor of Joseph Benacquisto, Police).

It was unanimously:

VOTED: To approve a Disability Retirement for:

Joseph Patnoe, Public Works.

Invoices for Consideration (8C)

- A. Motion by Eric Halpern to approve invoices for consideration. Motion seconded by Stephen Schunder.

It was unanimously:

VOTED: To approve payment for an invoice from Silvercrest for 3rd quarter management fees in the amount of \$21,502.00. Invoice date July 7, 2017.

VOTED: To approve payment for an invoice from Pier Capital LLC for 4th quarter 2017 management fees and 2017 incentive fees in the amount of \$75,727.90. Invoice date January 11, 2018.

Adjournment (9)

- A. Motion by Stephen Schunder to adjourn meeting at 9:32 a.m. Motion seconded by Peter Privitera.

It was unanimously:

VOTED: To adjourn meeting.

Attest:


Lori Kearney, Clerk of the Board