

**A virtual regular meeting of the Town of West Hartford Pension Board was held on  
Monday, February 28, 2022 at 7:45 a.m.**

**This meeting was made available on YouTube and [www.whctv.org](http://www.whctv.org)**

**The meeting was called to order at 7:47 a.m.**

**I. Roll Call/Attendance**

**Pension Board Members:** Chair Lazaro Guzman, Commissioners Alan Lebow, Perry Salonia, and Peter Privitera, Director of Financial Services.

**Participants/Guests:** Rick Ledwith, Acting Town Manager, Chris Kachmar, Fiducient Advisors, Lori Kearney, Clerk of the Board, and Paula Knake, Pension Benefits Coordinator.

**Absent:** Brittany MacGilpin, Mayor Shari Cantor, Mary Faye

**II. Chair's Opening Comments**

A. Review of rules of decorum and procedure for the virtual meeting in accordance with Governor Lamont's Executive Order #7B permitting municipalities to conduct public meetings virtually during the COVID-19 pandemic.

B. Election of Paula Knake to serve as Clerk to the Board to replace Lori Kearney. No motion is required. No objections.

**III. Chris Kachmar, Investment Review, Fiducient Advisors**

**A. Asset Allocation and Portfolio Discussion**

1. The narrative has changed given higher interest rates, inflation and the conflict in Ukraine; at a high level, Bonds are down 4% YTD, S&P is down 7.8% YTD, Small Cap is down 9% YTD, International Equities are down 5.6% YTD and Emerging Markets are challenged. January was a negative month.

2. Pension portfolio in January close to target with \$420m of invested assets. The portfolio is down 4%, however running within expectations. Capital market volatility remains escalated given the circumstances surrounding the conflict with Russia and Ukraine.

3. Three of the six Dollar Cost Averaging (DCA) cycles have been completed with \$157m remaining to transfer. There are no concerns across portfolio managers. The next DCA is targeted to occur at the end of March. Are we at levels now that warrant accelerating the next transfer to the pension fund? We have a very liquid structure so can move easily if we feel strongly to move assets to the pension fund. Motion by Chair Guzman to accelerate the DCA \$54m as follows: three tranches remain – split half of the March transfer, half will transfer now (next couple of days) and the other half at the end of March. The two remaining tranches to be transferred on a quarterly basis as planned:

Peter Privitera – Agree

Al Lebow – Agree

Perry Salonia – Agree

Lazaro Guzman – Agree

Motion carried.

**B.4<sup>th</sup> Quarter 2021 Pension Trust & POB Pool Performance Updates**

1. We currently utilize a performance-based fee structure (incentive arrangement) with Pier, resulting in higher costs due to their very high performance. We can transition to a flat fee and this won't change how the portfolio is managed. It is more common in Europe to have performance-based fees, the US is more accustomed to a flat fee structure. Pier can accommodate both. We have debated this in the past and continue to land on keeping the performance based fees. The flat fee is 40 basis points plus 20% of out-performance (equates to roughly a flat fee of 1% and we paid 1.2%).

Motion by Chair Guzman to keep the existing incentive fee structure (status quo):

Motion by Chair Guzman to keep the existing incentive fee structure (status quo):

Peter Privitera - Agree

Al Lebow - Oppose

Perry Solonia - Agree

Lazaro Guzman - Agree

Motion carried.

2. New Capital Market assumptions were introduced. The current target allocation is the 70-30 mix over 20-years with an expected annualized return of 6.6% annually. There was interest in reviewing a more conservative allocation, including more fixed options. The data has been prepared for comparison purposes. There may be an opportunity in the future to explore further including a more in-depth conversation about fees associated with the asset classes.

IV. Peter Privitera, Director of Finance

1. Overall, expenses can be classified as Investment, Actuarial, Legal, Auditing and Administrative. Peter reviews the professional services bills, but does not generally monitor the administrative service bills. The administrative service bills do not typically go to the board for approval. In terms of size, they are not as significant. Other examples of expenses that are charged to the pension fund include the Benefits Coordinator role and a portion of Financial Services staff. These expenses are a component of the overall Town budget.

V. Brittany Bermingham, Town Matters

1. No items to report

VI. Lori Kearney, HR Specialist

1. Meeting schedule for 2022

a. Next meeting scheduled for May 16, 2022. The meeting may be in person at Town Hall; awaiting direction from Town Clerk.

VII. Formal Actions

A. Minutes

1. Approval of the minutes for the virtual special meeting held on Monday, January 24, 2022.

**Motion by Chair Guzman for approval of the minutes for the virtual special meeting held on Monday, January 24, 2022. No objections were raised.**

**It was unanimously voted to approve the minutes for the virtual special meeting held on Monday, January 24, 2022.**

B. Pension Administration

**Motion by Chair Guzman for approval of the items under Pension Administration. No objections were raised.**

1. Memberships

**It was unanimously voted to approve membership for:**

**BOE – Marielle LeFebvre, Tamika Martin.**

**Town—Robert Doton, Laura Irmscher.**

2. Terminations and Refunds

**It was unanimously voted to approve terminations and refunds for:**

**BOE – Benjamin Villaparades, Molly McClure**

3. Applications for Approval

a. Vested Interest

**It was unanimously voted to approve a Vested interest for:**

**Town - Thomas Wilson**

b. Normal retirement applications

**It was unanimously voted to approve a Normal retirement for:**

**BOE—Linda Bartenstein, Janet Fournier, Andrea Zitomer  
Town – Michael Coyne, Jr., Sean Walmsley**

**C. Invoices for Consideration**

**1. Fiducient Advisors**

Consideration of invoice for payment for consultation services for the period from 10/1/2021 – 12/31/2021 in the amount of \$12,500. Invoice date 1/25/2022.

**3. Silvercrest**

Consideration of invoice for payment of management fees for the period from 1/1/2022 – 3/31/2022 in the amount of \$37,658. Invoice date 1/6/2022.

**Motion by Chair Guzman to approve for payment all items under Invoices for Consideration.**

**No objections were raised.**

**It was unanimously voted to approve for payment all invoices listed under Invoices for Consideration.**

**VIII. New Business**

**IX. Adjournment**

**Motion by Chair Guzman to adjourn the meeting at 8:44 a.m. No objections were raised. It was unanimously voted to adjourn.**

Attest:

*Paula Knake, LK*  
Paula Knake, Clerk of the Board