

**MEETING OF THE GENERAL
GOVERNMENT RETIREMENT BOARD
May 12, 2022**

A Regular meeting of the General Government Retirement Board was held on **May 12, 2022 at 5:00 p.m.** in the City Council Chambers at City Hall, Bristol, CT. Members present: Chairman Tom Barnes Jr., Vice Chairman David Preleski, Mayor Jeffrey Caggiano, Council Member Jacqueline Olsen, Comptroller Diane M. Waldron, Commissioner's David Butkus, Peter Dauphinais, Thomas DeNoto, Frank Rossi. Absent: Commissioner's David Maikowski, and William Veits.

Also present: John Oliver Beirne and John Beirne from Beirne Wealth Consulting
John Smith, Board of Finance Chairman

1. Call to Order.

Pledge of Allegiance

The meeting was called to order at 5:00 p.m. by Chairman Barnes.

2. Public Participation.

None.

3. Communication.

Board members received a letter from Catherine Plourde requesting that they approve her eligibility for normal retirement benefits with the intended retirement date of June 30, 2022, with all accompanying pension and retiree health insurance benefits pursuant to an adjusted start date of September 26, 2007. Comptroller Waldron explained that Ms. Plourde worked for the Bristol Burlington Health Department from August 2, 2003 to December 6, 2004 and left employment from the City of Bristol until returning on January 12, 2009. Ms. Plourde was never refunded her pension contributions from 2003-2004 and was told by the Comptroller's office at the time that her starting date for retirement purposes would be moved to September 26, 2007. Corporation Counsel recommends that the Board not approve the normal retirement date of June 30, 2022 due to the length of time she was not employed by the City and stated that her normal retirement date should be October 12, 2022.

A motion was made by Commissioner DeNoto and seconded by Commissioner Butkus and it was voted to:

"Consideration the facts and documentation provided, the Board make a one-time exception to approve the Normal Retirement Date of June 30, 2022 for Catherine Plourde with normal retirement and insurance benefits and fifteen years of service."

Several Board members expressed concerns and asked that this decision be a one-time exception and not set a precedent for future retirements. Mayor Caggiano also suggested that the Board and City set up checks and balances to ensure that this situation does not happen again. The Board feels that this may be a good time to update the pension explanation documentation.

In Favor: Chairman Barnes, Vice Chairman Preleski, Council Member Olsen, Comptroller Waldron, Commissioner's Butkus, Dauphinais, DeNoto, and Rossi.

Opposed: Mayor Caggiano

Motion passed.

4. Approval of the minutes: Regular meeting of the General Government Retirement Board April 14, 2022.

A motion was made by Vice Chairman Preleski and seconded by Commissioner Butkus and it was voted to:

"Approve the minutes of the Regular General Government Retirement Board meeting of April 14, 2022 and place them on file."

Abstained: Commissioner Denoto

5. Treasurers Report April 2022

A motion was made by Vice Chairman Preleski and seconded by Mayor Caggiano and it was unanimously voted to:

"Accept the Treasurer's Report for April 2022 and place it on file."

6. Consent Agenda.

a. Consideration of a request to approve the Vested Retirement from Luis Calle, Department of Public Works, Local 233 effective February 1, 2032 with an annual pension amount of \$17,105.76 or \$1,425.48 monthly.

b. Consideration of a request to approve the Normal Retirement from David Porter, Department of Public Works, Local 1338 effective April 1, 2022 with an annual pension amount of \$39,834.60 or \$3,319.55 monthly.

c. Consideration of a request to approve the Vested Retirement from Todd Larue, Department of Public Works, Local 1338 effective October 13, 2023 with an annual pension amount of \$33,053.07 or \$2,754.42 monthly.

d. Consideration of a request to approve the Normal Retirement from Robert Wentland, Fire Department, Local 773 effective April 29, 2022 with an annual pension amount of \$56,893.72 or \$2,182.22 bi weekly.

A motion was made by Mayor Caggiano and seconded by Vice Chairman Preleski and it was unanimously voted to:

"Approve Consent Agenda Items 6a through 6d."

7. Investment Review – Beirne Wealth Consulting, LLC.

- **General Retirement Fund**

John Oliver Beirne, of Beirne Wealth, provided an overview of the portfolio. Based on the April 30, 2022 report the portfolio is priced at \$754,540,004 with about 40% unpriced and is down approximately 5.43% for the month. US Equities are down across the board and right now growth stocks are higher than value stocks. Typically when equities are down, fixed income is up but that is

not the case right now. Real Estate is down, Hedge Funds are down, and roughly 80% of investments grade bonds are trading below par. The portfolio is down about 9% for the year but it is expected that once all of the pricing comes in, that number will be less by about 1.5%.

John Oliver also reviewed the March 31, 2022 report which shows the portfolio priced at \$800,326,272 and down approximately 3.8% for the month. However, the portfolio is up 1.65% for the fiscal year. The Credit portion of the portfolio was down for the month but up for the fiscal year and one year period. The bond portfolio exhibited less risk in the downturn market and was able to outperform by buying high quality bonds with floating rate components and getting into multiple types of structured credit. Beirne Wealth will begin to look at other credit vehicles. High quality credit did not do well on an absolute basis but performed well compared to the Barclays Aggregate. The Equities market has had tremendous selloffs and the firm/portfolio is positioned to take advantage if a rally happens. Right now the City's portfolio is relatively conservative and is overweight in US Equities and underweight in International/Emerging Markets. There is no update on the Arsenal Fund. Real estate is up 1.6%. Beirne Wealth just received an update from Invesco and will send it out to the Board. John Oliver also reviewed the three Longford Funds. Beirne Wealth's strategy is to continue to find new cash flows with less volatility around the assets. John Oliver is looking to get several managers to come and present at a workshop with the Board.

John Beirne Sr. briefly addressed the Board and discussed the similarities and differences between today's market and the market in the 70s. This has been the first market selloff in forty years where the bond prices have gone down. John Beirne Sr. also discussed the different impacts of inflation.

There was some discussion between Board members and John Oliver regarding cash deployment and the status of the 10 Year Treasury.

John Oliver informed the Board that the first que for the Boyd Watterson and Arsenal funds were missed because the Board of Finance did not approve the investment due to an indemnification clause. John Smith, Board of Finance Chairman, addressed the Board and stated that the Board of Finance would like to sit down with the Retirement Board and Corporation Council to determine a policy to deal with investments like this going forward. Chairman Barnes stressed that a policy needs to be set in place as soon as possible because the Retirement Board has a fiduciary responsibility to the Pension Plan and the plan cannot continue to miss big opportunities. Members of the Retirement Board and Board of Finance will meet next week to start putting a policy in place.

John Oliver informed the Board that the deadline for the second que is May 17, 2022.

8. Discussion regarding an RFP for Custodial Services and to take any action as necessary.

John Oliver will be sending the matrix out tomorrow. The matrix includes five custodians (outside of Fidelity) and features general information, general pricing (specific to the City), and conversions.

9. Discussion regarding Investment Managers Contracts and Fees.

John Oliver informed the Board that Verition has a new share class and TX Teachers Retirement just negotiated difference terms with them that the City may be able to get as well. The new share class has lower management and performance fees. He asked the Board to consider if the trade-off in liquidity is worth the fees.

A motion was made by Commissioner DeNoto and seconded by Commissioner Butkus and it was unanimously voted to:

"Increase the Verition Fund to \$30 million and move from Share Class C to Share Class

G.”

John Oliver also gave an overview of the Neuberger Berman investment rates. Their effective rate is 39.4 basis points and the City currently has the lowest family fee class. The large cap growth fees are approximately 30% discounted and compared to the average industry fee the City is paying below average. The Board briefly discussed who would be responsible from the City to look over the contracts.

10. Any other business proper to come before meeting.

Chairman Barnes stated that it may be a good idea to invite Board of Finance members to attend the upcoming Manager Workshop. Chairman Barnes also suggested that Neuberger Berman be asked to present to the Board since they make up a significant amount of the City's portfolio.

11. Adjournment.

At 6:23 p.m. a motion was made by Mayor Caggiano and seconded by Vice Chairman Preleski and it was unanimously voted to: “Adjourn.”

Respectively submitted,

Diane M. Waldron
Comptroller and Secretary, Retirement Board