MEETING OF THE GENERAL

GOVERNMENT RETIREMENT BOARD

June 9, 2022

A Regular meeting of the General Government Retirement Board was held on **June 9, 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, Commissioner's Peter Dauphinais, David Maikowski, Frank Rossi, and William Veits. Absent: Comptroller Diane M. Waldron, Commissioner's David Butkus, and Thomas DeNoto.

Also present: John Oliver Beirne and John Beirne from Beirne Wealth Consulting

1. **Call to Order.**

    Pledge of Allegiance

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

2. Public Participation.

Mark Whitford, 136 Empire Way, addressed the Board and briefly discussed growth/value strategies.

3. Approval of the minutes: Regular meeting of the General Government Retirement Board May 12, 2022.

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

> "Approve the minutes of the Regular General Government Retirement Board meeting of May 12, 2022 and place them on file."

Abstained: Commissioner Maikowski.

4. Treasurers Report May 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 May 2022 and place it on file."

5. Consent Agenda.

a. **Consideration of a request to approve the Normal Retirement from Christine Cooper, Economic & Community Development Department, Local 233 effective May 14, 2022 with an annual pension amount of $14,856.80 or $1,238.07 monthly.**

b. **Consideration of a request to approve the Early Retirement from Verna Delcegno, Bristol Library, Local 233 effective April 20, 2022 with an annual pension amount of $15,808.42 or $1,317.37 monthly.**

c. **Consideration of a request to approve the Normal Retirement from Kenneth Gallup, Bristol Police Union, effective June 1, 2022 with an annual pension amount of $89,798.98 or $3,444.35 bi weekly.**

d. **Consideration of a request to approve the Normal Retirement from Richard Klett, Parks Department, Local 1338 effective May 17, 2022 with an annual pension amount of $44,147.04 or $ 3,678.92 monthly.**

e. **Consideration of a request to approve the Normal Retirement with 50% Contingent Annuitant Option from Timothy Rollins, Parks Department, Local 1338 effective May 3, 2022 with an annual pension amount of $45,507.40 or $3,792.28 monthly.**

f. **Consideration of a request to approve the Normal Retirement from Brian Skinner, The Bristol Police Union effective May 17, 2022 with an annual pension amount of $56,794.63 or $2,178.43 bi weekly.**

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

“Approve Consent Agenda Items 5a through 5f.”

Commissioner Rossi joined the meeting at 5:03pm.

6. Investment Review – Beirne Wealth Consulting, LLC.

- **General Retirement Fund**

John Oliver Beirne, of Beirne Wealth, provided an overview of the portfolio. As of May 31, 2022, the portfolio was priced at $749,355,967 with approximately 35% of pricing missing. Year to date, the only section of the portfolio that is up is the 90 Day Treasury Bill. There has been a dramatic selloff in tech which started in the beginning of the year that translated into the Feds sucking liquidity out of the market and inflationary pressures. Global markets are unattractive YTD and some of the portfolio was allocated to Emerging Markets. The portfolio is down 9.46% YTD and is down 2.88% over a one year period. With credit exposure and the real estate numbers coming in from Boyd, the portfolio will likely be around 7.5-8% down YTD.

John Oliver provided a high level overview of the asset classes and stated that Silver Point Capital, Golub Capital, Greywolf Capital, and Neuberger Berman are the managers that will be presenting at the workshop on June 22, 2022. It was also stated that the City is in the que for the new Boyd fund.

The City’s Pension Plan performed in the 7th percentile over the one year period and in the 13th percentile during the current fiscal year in comparison to other public plans. John Oliver provided an overview of the current market and it’s comparisons to the market in the 60’s & 70’s. Currently, 40% of the companies in the New York Stock Exchange are down 30% or more. With the volatility that exists in the market right now, it will be important to focus on the quality of the companies, the credit quality of fixed income, and the quality of assets in general. The portfolio is diversified enough that the City could take advantage of opportunities that will be coming in the marketplace. The portfolio is not prepared for a great depression/great recession scenario but Beirne will adjust accordingly to best defend and protect the portfolio.

John Oliver also provided an update on Verition and stated that there was a hold up because they did not receive the paperwork needed until this week. He emphasized to the Board how important timing is with these deals especially in the current market environment.

John Beirne Sr. addressed the Board and reviewed the current status of the Capital Market. Asset values are going down but funding levels are going up due to the rising interest rates.

Commissioner Maikowski informed the Retirement Board that the Board of Finance (BOF) looked at the Retirement Board's Investment Policy and raised some concerns regarding the percentage of the fund that is invested into one fund, specifically Arsenal. John Oliver responded to the BOF concerns and stated that Beirne Wealth aims to allocate the most money to the best managers. He also stated that he understands concerns with concentration risk, but the Arsenal Fund is made up of diversified investments. Beirne Wealth continuously monitors capacity constraints and modifies the portfolio accordingly.

The Board engaged in a brief discussion regarding BOF's role when it comes to the Retirement Board's Investment Policy and decisions. Chairman Barnes stated that they are welcome to be involved in the Investment Policy process. They were also invited to the meeting last time the policy was rewritten. Commissioner Rossi stated that Beirne Wealth was chosen because they are able to move quickly and find unique opportunities and the Board should not put roadblocks and extra layers of signoffs in the way of future investment opportunities.

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

John Oliver Beirne provided a matrix comparing four Custodians. The matrix included general info, features, pricing, and conversions. John Oliver stated that pricing is relatively high across the board and Fidelity is significantly cheaper than each of the other options. Going out for RFP would be about a year long process and given the market John Oliver and Chairman Barnes expressed that it may be better to prioritize the portfolio's performance over an RFP process at this time.

Board members were asked to review the provided materials and continue this discussion at the next meeting.

8. Discussion regarding Investment Managers Contracts and Fees.

Beirne Wealth sent updated manager contact information to City staff. The Comptroller's & Treasurer's department will be reviewing the materials.

9. Any other business proper to come before meeting.

None.

10. Adjournment.

At 5:38 p.m. a motion was made by Mayor Caggiano and seconded by Commissioner Veits and it was unanimously voted to: "Adjourn."

Respectively submitted,

Diane M. Waldron
Comptroller and Secretary, Retirement Board