

**I. Roll Call**

Meeting called to order by Paul Schroder at 6:00 pm.

A. Members Present

1. Paul Schroder, Chair (voting member)
2. Scott Suplita, Vice Chair (voting member)
3. Shiela Hayes (voting member)
4. Chris Golas (voting member)
5. John John (voting member - left during Item IV.B.)
6. Richard Morelli (alternate - voting member during Item IV.B.)
7. Rob Dempsky (alternate)

B. Members Absent

1. Andre Rosedale (alternate)

C. Others Present

1. Brigid Marks, Director of Human Resources
2. Sandra Pimentel, P&P Board Secretary
3. Becky Sielman, Milliman
4. Larry Teitelbaum, PGIM Real Estate
5. Marc Shegoski, UBS (left after Item IV.B.)
6. Ashley Martella, UBS (left after Item IV.B.)
7. David Sears, UBS (left after Item IV.B.)

**II. Minutes**

A. Minutes of the March 27, 2019 Personnel & Pension Board Meeting.

Motion to approve the March 27, 2019 meeting minutes made by John John, seconded by Shiela Hayes, all in favor.

**III. Old Business**

A. Status of the RFP for Investment Services with Hooker & Holcombe. Review of Hooker & Holcombe invoice HIA002156 dated April 2, 2019 in the amount of \$18,000 for completed services.

Motion to approve Hooker & Holcombe's invoice HIA002156 dated April 2, 2019 made by John John, seconded by Chris Golas, all in favor.

**IV. New Business**

A. Presentation by Becky Sielman from Milliman regarding actuary transition and recommended modifications to certain assumptions and methodologies for upcoming valuations.

Milliman has completed the transition from Hooker & Holcombe and are preparing for the July 1, 2019 evaluation. Becky Sielman presented a change in the methodology to calculate plan liabilities and city contributions. She suggested a systematic approach reflecting the timing of the interest calculation and an amortization growth rate according to inflation. She also suggested creating new 20 year amortization payment calculations every two years with the biannual evaluations instead of adding to the amortization in place. The net result of this methodology change is a potential decrease in the Actuarially Determined Contribution for the 2017 Valuation. She also discussed Milliman's analysis

of the current return assumption based on the target allocation and suggested a decrease in the near future.

B. 2019 first quarter investment review with UBS.

Due to diversification, competitive returns through income and appreciation, and low volatility, UBS has recommended Private Real Estate as an alternative investment. Commercial real estate is sensitive to interest rates and correlate with economic growth. Larry Teitelbaum, from Prudential, presented their PRISA1 Core Fund. Their 2019 return target is 6%-8% including income return of 4%-4.5%. The investment property types are industrial, storage, office apartment and retail properties with an overweight to storage. Vacancies are very low with about 20% leverage. Entry and redemption are done once per quarter. Fees are 1% for the first \$25 million.

Marc Shegoski and David Sears presented the UBS House View: Market is on track to be the longest and slowest expansion. Bull market is in the late stages which is best for equity returns on average. Global growth is slowing, but a rebound is expected later this year. Volatility will likely persist with higher interest rates, trade frictions and late-cycle fears, but the market should still climb.

The portfolios were reviewed by Ashley Martella: The pension fund asset allocation on March 31, 2019 was 66.6% equity, 33.4% fixed income. It increased from \$161,634,027 on December 31, 2018 to \$177,097,976 as of March 31, 2019. The OPEB fund asset allocation on March 31, 2019 was 67.7% equity, 32.3% fixed income. The OPEB fund increased from \$17,404,761 as of December 31, 2018 to \$19,357,958 as of March 31, 2019.

David Sears reported Vanguard Selected Value is under performing and UBS believes their performance will not improve due to their management and recommends replacement with a small cap index and reviewed the options. Due to their past five year performance, UBS recommends Fidelity Mid Cap Index.

Motion to replace the Vanguard Selected Value with Fidelity Mid Cap Index in the Pension and OPEB funds made by Paul Schroder, seconded by Shiela Hayes, all in favor. (John John left the meeting, Rich Morelli seated as voting member.)

UBS recommends \$7,000,000 investment in PRISA1 Core Fund. Because there is a \$25,000,000 minimum plan value, the OPEB plan does not qualify.

Motion to transfer \$1,800,000 from Bradford Marzec, \$2,650,000 from MFS Value, and \$850,000 each from Lazard International, Delaware International and NFJ Small Value On July 1, 2019 made by Paul Schroder, seconded by Shiela Hayes, all in favor.

C. Applications for Retirement:

1. George Gadue, Heavy Equipment Operator, for a deferred retirement effective March 27, 2019, payable September 4, 2024.

Motion to approve the application for payment made by Shiela Hayes, seconded by Chris Golas, all in favor.

2. John Bilda, General Manager-NPU, for a retirement effective April 10, 2019.

A legal opinion was requested from Corporation Counsel for John Bilda's time from January - April 2019. Due to a conflict of interest, yesterday Mike Driscoll informed Brigid

Marks he could not give an opinion. Brigid Marks contacted Ken Plumb for a legal opinion.

Motion to table to the May 2019 meeting made by Paul Schroder, seconded by Scott Suplita, all in favor.

D. Pension Calculations:

1. Donna DeGross, retired March 8, 2019. Her annual pension is calculated for \$7,531.99. Her application was approved at the January 2019 meeting.
2. Angelo Yeitz Jr, retired March 13, 2019. His annual pension is calculated for \$71,363.58. His application was approved at the March 2019 meeting.
3. George Gadue, retired March 27, 2019. His annual pension is calculated for \$32,483.71 payable September 4, 2024. His application is on the agenda at this meeting.

Motion to approve the pension calculations

Motion to approve the pension calculations made by Shiela Hayes, seconded by Chris Golas, all in favor.

E. Application for refund/rollover of pension contributions:

1. Julie Torres, Paraeducator-BOE, who withdrew effective March 30, 2019. Refund of \$1,649.55 including interest.

Motion to approve the refund application made by Shiela Hayes, seconded by Chris Golas, all in favor.

F. Notifications of Death:

1. Nancy Bram-Mereen, DOD March 22, 2019, who retired from Planning on February 8, 2011. Survivor benefit immediately payable to her spouse, John Paul Mereen in the amount of \$25,020.29.
2. Ronald LePage, DOD March 23, 2019, who retired from the Fire Department on July 18, 1985. No further benefit due.

Motion to acknowledge the notification of death and approve the survivor benefits made by Scott Suplita, seconded by Chris Golas, all in favor.

Motion to acknowledge the notification of death made by Shiela Hayes, seconded by Chris Golas, all in favor.

Paul Schroder made a motion to **add under suspension of rules** two requests from Chief Daley to extend the eligibility lists for Police Sergeant and Police Lieutenant, seconded by Shiela Hayes, all in favor.

G. Request from Police Chief Daley to extend the Police Sergeant eligibility list which expires May 17, 2019 and the Police Lieutenant eligibility which expires May 10, 2019.

Motion to extend the Police Sergeant and the Police Lieutenant eligibility lists for six months made by Paul Schroder, seconded by Shiela Hayes, all in favor.

H. Employees to be admitted into the City of Norwich Employees' Retirement Fund:

Motion to admit the following employees into the City of Norwich Employees' Retirement Fund made by Shiela Hayes, seconded by Chris Golas, all in favor.

NAME	POSITION	DATE OF HIRE	ACADAMY GRADUATION DATE	LAST DAY ON PROBATION	REQUEST /EVAL RECEIVED
Edward Gookin	Police Officer	10/4/2017	3/28/2018	3/27/2019	3/11/2019
Ashley Predmore	CAR I-NPU	8/20/2018	n/a	3/21/2019	3/25/2019
Nathan Dimock	Apprentice Lineworker-NPU	10/1/2018	n/a	3/31/2019	3/19/2019
Kramer Sullivan	Apprentice Lineworker-NPU	10/1/2018	n/a	3/31/2019	3/19/2019
Tara Morell	Paraeducator-BOE	10/3/2018	n/a	3/25/2019	4/3/2019
Ryan Danis	Custodian-BOE	10/9/2018	n/a	4/9/2019	4/10/2019
Alba DeJesus	Revenue Collections Clerk-Bilingual	10/15/2018	n/a	4/14/2019	4/2/2019
Robert Dantzier	Program Coordinator-BOE	2/1/2019	n/a	3/1/2019	3/15/2019

**V. Correspondence**

Request from Attorney Richard Pascal, representing Donald Cilley Jr, to meet with the Board at the May 2019 meeting.

Motion to extend an invitation to Attorney Pascal and Don Cilley to attend the May 21, 2019 meeting made by Paul Schroder, seconded by Shiela Hayes, all in favor.

**VI. Adjournment**

Motion to adjourn made by Shiela Hayes, seconded by Chris Golas, all in favor. Meeting was adjourned at 8:13 pm.

Respectfully submitted,

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 Sandra Pimentel, Secretary