

**CITY OF MIDDLETOWN**  
**MINUTES OF THE RETIREMENT BOARD**  
**Tuesday, February 19, 2019 at 9:00 am**

The Regular Meeting of the Retirement Board of the City of Middletown  
was held in room 208 of the Municipal Building

**Board Members Present:** Carl Erlacher, John Milardo, Joe Serra, Linda Salafia, Sandy Pasculano, Steve Gomes, Mary Bartolotta (9:51)

**Board Members Absent:** Mayor Drew

**City Employees/Public/Others Present:** Diana Doyle, Michael Lepore, GYL

- Meeting Called to Order at 9:07 am
  - No Public Comments on the Agenda
  - Approval of Minutes
    - November 19, 2018 regular meeting
      - Carl motioned to approve, and was seconded by Joe
      - All in favor
  - GYL Review
    - The Pension Fund value at the end of the 4<sup>th</sup> quarter was \$384,394,822
    - Michael reviewed the performance of the 4<sup>th</sup> quarter and year; stated that January 2019 was a strong month and there was some rebound to the underperformance of the 4<sup>th</sup> quarter; noted that performance since inception shows that good quarters have outperformed the benchmark and weak quarters have performed relatively consistent with benchmark
    - The OPEB Trust value at the end of the 4<sup>th</sup> quarter was \$12,617,361
    - Michael reviewed the performance of the 4<sup>th</sup> quarter and year; noted investment strategies are mostly passive and performed consistently with benchmarks
    - Diana advised Board that the current value of the OPEB Trust is equivalent to the operating (costs) of one year; stated that incremental increases to annual funding contributions are necessary, for it to become self-sustaining
- \*\*\* note: for the record, Joe left at 9:36 am*
- Michael added that the OPEB REITs are currently a passively managed investment; GYL recommends changing the OPEB REITs to an active strategy with Cohen & Steers Real Estate Securities (same as Pension Fund)
    - Steve motioned to change the OPEB REIT investment strategy from passive to active, as recommended by GYL, and was seconded by Carl
    - All in favor

- GYL Review
  - 457 Plan RFP review; Michael reviewed the process of choosing the respondents and the criteria used for ranking/scoring each; GYL recommended that the Board meet with each new respondent in a one-on-one interview
    - Carl motioned to interview the three (new) respondents, and was seconded by John
    - All in favor
  - Discussion regarding when interviews should be held; Michael stated that some conditions in the proposals from the respondents are based on current rates & market conditions and are time-sensitive
    - Mary motioned to hold a Special Meeting on Tuesday, March 12<sup>th</sup> from 9am – 1pm, and was seconded by John
    - All in favor
- Reports: (informational)
  - Actuarial Valuation Report – Hooker & Holcombe
  - Treasurer’s Report
  - Pension Investment Report

<u>Applications for Membership</u>	<u>Start Date</u>	<u>Department/Union</u>
Ian Cameron	2/4/19	Central Comm/466
Mark DeVoe	1/2/19	PCD/UPSEU
Shaun Flynn	1/7/19	Rec & Comm Svcs/466
Raymond Hartman III	12/26/18	Public Works/466
James Horbock	12/24/18	Police/466
Sara Kennedy	1/9/19	Registrar of Voters/ n/a
Ryan Niedmann	1/28/19	Fire/Fire

<u>Requests to Retire/Collect/Vest</u>	<u>Yrs of Svc</u>	<u>Department/Union</u>
Mary Claire Andrew	28 yrs	Fire/Fire
Marlene Lacz (previously vested)	20 yrs	BOE/466
Salvatore Nesci	24 yrs	Health/UPSEU
Manfred Rehm (previously vested)	12 yrs	Health/466
Joseph Snyder (Vest)	12 yrs	Central Comm/466
Michael Souza	31 yrs	Fire/Fire
Debra Stanley	22 yrs	Rec & Comm Svcs/UPSEU

- Deceased Pensioners
  - John LaTerra (benefits to child)
  - Marie Stewart (benefits to spouse)
  - Relford Ward, Sr.

- Adjournment of Meeting
  - John motioned to adjourn and was seconded by Sandy
  - All in favor

Respectfully submitted: Carl Erlacher