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 4th quarter was $384,394,822
  - Michael reviewed the performance of the 4th quarter and year; stated that January 2019 was a strong month and there was some rebound to the underperformance of the 4th 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 4th quarter was $12,617,361
  - Michael reviewed the performance of the 4th 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 Chen & 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
  o 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
  o 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 12th from 9am – 1pm, and was seconded by John
    • All in favor

• Reports: (informational)
  o Actuarial Valuation Report – Hooker & Holcombe
  o Treasurer’s Report
  o Pension Investment Report

• Applications for Membership  
  Start Date  
  Department/Union
  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

• Requests to Retire/Collect/Vest  
  Yrs ofSvc  
  Department/Union
  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