



ORANGE, CONN
TOWN CLERK'S OFFICE
RECEIVED FOR RECORDS
2018 MAY 21 AM 10:18
Patricia B. O'Sullivan
TOWN CLERK

Approved Minutes

Pension Board Meeting
Town of Orange, Connecticut
OGAT Meeting Room – Town Hall
March 15, 2018 – 7:00 p.m.

ATTENDANCE

Board Members Present: Chairman Eric Hendlin, Barbara Miller, and Mitchell Goldblatt

Board Members Absent: Paul Dinice and Ryan DePolo

Staff: John Cifarelli, Finance Director; Deborah Satonick, Recording Secretary

Guests: Chris Kachmer, Fiduciary Investment Advisors

Chairman Eric Hendlin called the March 15, 2018 Pension Board meeting to order at 7:00 p.m.

1. Public Participation

- There was no public participation at this time.

2. Review and Approve Minutes –August 24, 2017

- The Board members reviewed the November 9, 2017 Pension Board minutes and made corrections as necessary.

*Ms. Miller approved the amended November ninth, 2017 Pension Board minutes, seconded by Mr. Goldblatt. All were in favor and the motion **PASSED**.*

3. Quarterly Investment Results from December 31, 2017

- Mr. Kachmer invited the Pension Board members to the FIA Client Conference scheduled for Thursday, September 20, 2018 in Hartford, CT.
- Mr. Kachmer began his presentation by stating that the fourth quarter focus is on investment review, the investment policy statement, and legislative updates. He noted that alternative investments in pension plans, such as hedge funds, commodities, private equity, and real estate, have increased in recent years, providing diversification, reduced risk, and potentially increased returns. Mr. Kachmer noted that many plans are currently operating in a negative cash flow environment, where outgoing benefit payments surpass incoming contributions.

- Mr. Kachmer gave a market review, noting that there has been a positive GDP growth over the last few years. He also discussed the index results for U.S. equities, international equities, fixed income, and the non-traditional funds.
- All of the managers' performances are on "maintain" status. Mr. Kachmer noted that the average assumed rate of return for most of their Connecticut clients was 7%. Chairman Hendlin inquired how often Mr. Kachmer meets with the managers, and Mr. Kachmer advised that their location in Windsor is conducive to most of the managers, many of whom stop in once a week.
- With over eleven million dollars paid out in benefits over the past eleven years, it was pointed out that the original portfolio amount has remained fairly consistent over this same time span.
- Mr. Kachmer did not feel that any changes to the asset allocation were required at this time. Chairman Hendlin reminded the Board that in November of 2017 there was a shift in assets from Domestic equities to International equities.
- Mr. Cifarelli mentioned that another police officer would be retiring this year and this will have an impact on the Police Pension Plan.

4. Discussion of Wells Fargo and the Impact of the State Notification Regarding Public Deposits

- Mr. Cifarelli indicated that he was notified by the state in January that Wells Fargo Bank received a Community Reinvestment Act (CRA) rating of "Needs to Improve." The recommendation was to transfer deposits to a financial institution with a higher CRA rating that is eligible to receive public deposits.
- Upon the recommendation of Robinson and Cole and Town Counsel, it was agreed that pension plan funds and OPEB trust funds are not subject to the public fund deposit laws set forth in the State statutes. Based upon these findings, the Pension Board will not make any changes at this time.
- Mr. Cifarelli inquired how other towns have handled this issue, and Mr. Kachmer advised that they handle thirty-five municipalities and twenty-seven are currently with Wells Fargo. Only three towns to date have issued an RFI.

5. New Business

- There was no new business at this time.

6. Adjournment

Ms. Miller moved to adjourn the meeting at 8:05 p.m., seconded by Mr. Goldblatt. All were in favor and the motion PASSED.

Respectfully Submitted,

Deborah Satonick, Recording Secretary