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(Unapproved Minutes)

Pension Board Regular Meeting

Town of Orange, Connecticut

Meeting Room – Town Hall

May 17, 2018 – 7:00 p.m.

ATTENDANCE

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

Board Members Absent: Paul Dinice

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

Guests: Chris Kachmer, Fiduciary Investment Advisors

Chairman Eric Hendlin called the May 17, 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 – March 15, 2017

- The Board members reviewed the March 15, 2018 Pension Board minutes and made revisions as needed.

Mr. Goldblatt approved the amended March fifteenth, 2018 Pension Board minutes, seconded by Ms. Miller. All were in favor and the motion PASSED.

3. Quarterly Investment Results from March 31, 2018

- Mr. Kachmer invited the Pension Board members to the 2018 FIA Client Conference, scheduled for September twentieth and twenty-first, 2018, at the Mark Twain House in Hartford.
- Mr. Kachmer discussed the quarter fiscal year results, with a focus on investment review. He discussed the fees and services associated with managing the plan, ensuring that they are reasonable.
- Mr. Kachmer reported that inflation and interest rates are slightly higher than last quarter, and global economies continue to demonstrate strength and resilience in the face of

heightened volatility. Chairman Hendlin inquired if some of their assets should be moved into inflation protection, but Mr. Kachmer suggested waiting until the next quarter results. Mr. Kachmar also mentioned that the tariffs imposed on China by President Trump weighed considerably on the markets this quarter.

- Mr. Kachmer reviewed the index results, noting that smaller cap performed better than the larger caps. In discussing the equity and fixed income, he noted that growth outpaced value, and the only positive sectors in the S & P 500 were consumer discretionary and information technology. Despite concerns about China's trade relationship with the United States, emerging market equities produced modest returns and outperformed international developed equities. The EM was led predominately by Russia and Brazil.
- Chairman Hendlin noted that the Pension Board members recently made a decision to move a portion of their assets from domestic to international equities. Ms. Miller also mentioned that there are no allocations for global bonds. Mr. Kachmer indicated that this could be added in the future if the Pension Board members wished to do so.
- The total Pension Plan as of March 31, 2018 is \$24,681,627. Mr. Kachmer concluded his presentation by giving a manager performance overview and manager commentary.

4. New Business

- There was a brief discussion about Wells Fargo. While the transition over to them was difficult, Mr. Cifarelli reported that Ms. Geer has had no further problems with them. Mr. Kachmer added that they are committed to the business and their pricing is good. He also noted that the selection choice is limited, with Peoples Bank, U.S. Bank, and Wells Fargo being one of the few companies that handle this.
- Mr. Cifarelli reported that the Town would be getting a new finance software package called E-Finance Plus. This will allow the town to process electronic timesheets.
- Mr. Cifarelli reported that a representative of Mutual of America reviewed the Town employees and the OBOE Pension plans by half hour appointments with individual members. These meetings went well and he plans on offering this opportunity twice a year to employees, in the spring and fall. Milliman will be invited to attend the Pension Board meeting on August sixteenth and Mutual of America will attend at their November meeting.

5. Adjournment

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

Respectfully Submitted,

Deborah Satonick, Recording Secretary