Approved by The Board of Trustees of the City Employees' Retirement Fund & The Board of Trustees of the Police and Firemen's Pension Fund

March 6, 2023 Vote: Unanimous

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SPECIAL JOINT MEETING OF THE BOARD OF TRUSTEES OF THE CITY EMPLOYEES' RETIREMENT FUND AND THE BOARD OF TRUSTEES OF THE POLICE & FIREMEN'S PENSION FUND City Hall Auditorium / Zoom

August 1, 2022

A **SPECIAL JOINT MEETING** of the Board of Trustees of the City Employees' Retirement Fund and the Board of Trustees of the Police & Firemen's Pension Fund was held on Monday, August 1, 2022, in the City Hall Auditorium and via Zoom.

Those in attendance included Mayor Elinor Carbone, Corporation Counsel Victor Muschell, Treasurer Dan Farley, and members of the Board of Trustees of the City Employees' Retirement Fund, Councilors Anne Ruwet, Armand Maniccia, Keri Hoehne, Supervisors Edward Tousey, and Tim Cote. Attending via Zoom were Councilors Drake Waldron, David Oliver, and Paul Cavagnero. Also present were members of the Board of Trustees of the Police & Firemen's Pension Fund Commissioner Darlene Battle, and Battalion Chief Thomas Sterling. Attending via Zoom were Commissioners Joseph McElroy, Gregg Cogswell, Glenn McLeod, Nicholas Lettieri, and James Foley. Also present was Public Works Director Ray Draw.

Members Sheryl Lewis, Ralph Boscarino, Craig Audia, Chris Paganini, Commissioner Douglas Benedetto, Commissioner Molly Spino, and Lieutenant Edward DeLisle were absent.

Mayor Carbone called the meeting to order at 6:31 p.m. beginning with the Pledge of Allegiance.

Minutes

On a motion by Councilor Maniccia, seconded by Commissioner Battle, the Board of Trustees of the City Employees' Retirement Fund and the Board of Trustees of the Police and Firemen's Pension Fund voted unanimously to approve the minutes of the regular joint meeting held on February 7, 2022.

Presentation: Fiducient Advisors

Mr. Anthony Tranghese updated the boards on the market performance for the first two quarters of 2022. He reported that the City Employees Plan is at \$42,782,975 and the Police & Firemen's Plan is at \$69,726,958, as of July 31, 2022, which is roughly a 5% increase since the end of the fiscal year. Mr. Tranghese said that he has some recommendations for changes to the portfolios at this time. Commissioner Battle asked what the position is going forward for the pension funds, Mayor Carbone let her know that as of June 30, 2021, the City Employees' Pension Plan is funded at 91% and the Police and Firemen's Pension Fund is funded at 71%.

Proposed update to Asset Allocation Targets

On a motion by Battalion Chief Sterling, seconded by Commissioner Battle, the **Board of Trustees of the Police and Firemen's Pension Fund** voted unanimously to approve the recommended changes, which is to terminate Artisan International and replace it with Harding Loevner International, as presented by Fiducient Advisors, for the Police and Firemen's Pension Fund. **See addendum 1.**

On a motion by Supervisor Tousey, seconded by Councilor Oliver, the **Board of Trustees of the City Employees' Retirement Fund** voted unanimously to approve the recommended changes, which is to terminate Artisan International and replace it with Harding Loevner International, as presented by Fiducient Advisors, for the City Employees' Retirement Fund. **See addendum 2.**

<u>Pension Computations – City Hall Employees Retirement Fund</u>

On a motion by Councilor Ruwet, seconded by Councilor Oliver, the **Board of Trustees of the City Employees' Retirement Fund, AFSCME Council 4, Local 2212 City Hall Employees** voted unanimously to accept the pension computation effective April 30, 2022, for Brenda Reginatto, Senior Account Clerk for the City of Torrington Finance Department, after 21 years of service.

On a motion by Councilor Hoehne, seconded by Council Maniccia, the **Board of Trustees of the City Employees' Retirement Fund, AFSCME Council 4, Local 2212 City Hall Employees** voted unanimously to accept the pension computation effective May 12, 2022, for Lynn Florio, Senior Account Clerk for the City of Torrington City Clerk Department, after 15 years of service.

<u>Pension Computations – Management Resolution</u>

On a motion by Councilor Hoehne, seconded by Councilor Maniccia, the **Board of Trustees of the City Employees' Retirement Fund, Management Resolution**, voted unanimously to accept the pension computation effective April 23, 2022, for Albert Vasko, Corporation Counsel for the City of Torrington, after 16 years of service.

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<u>Pension Computations – Public Works</u>

On a motion by Councilor Hoehne, seconded by Councilor Ruwet, the **Board of Trustees of the City Employees' Retirement Fund, AFSCME Council 4, Local 2212 Public Works Employees** voted unanimously to accept the pension computation effective March 16, 2022, for John E. Godenzi, Public Works Maintainer II for the City of Torrington Public Works Department, after 14 years of service.

<u>Pension Computations – Police Department</u>

On a motion by Commissioner Battle, seconded by Commissioner McLeod, the **Board of Trustees of the Police and Firemen's Pension Fund - AFSCME Council 15, Local 442** voted unanimously to accept the pension computation effective June 30, 2022, for Jennifer Hayes, Patrolman A for the City of Torrington Police Department, after 15.12 years of service.

On a motion by Commissioner McLeod, seconded by Commissioner Battle, the **Board of Trustees of the Police and Firemen's Pension Fund - AFSCME Council 15, Local 442** voted unanimously to accept the pension computation effective March 27, 2022, for James Crean, Detective for the City of Torrington Police Department, after 25.02 years of service.

On a motion by Commissioner Battle, seconded by Commissioner McLeod, the **Board of Trustees of the Police and Firemen's Pension Fund - AFSCME Council 15, Local 442** voted unanimously to accept the pension computation effective July 3, 2022, for Keith Dablain, Detective for the City of Torrington Police Department, after 23.01 years of service.

<u>Adjournment</u>

On a motion by Councilor Hoehne, seconded by Councilor Maniccia, the Boards voted unanimously to adjourn the meeting at 7:08 p.m.

Respectfully submitted by Heather Abraham, Asst. City Clerk ATTEST:

Carol L anderson

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August 1, 2022

Addendum 1:

CASH FLOW WORKSHEET											
Objectives: Updated Balances, replace Artisan with Harding Loevner, allocate upcoming contribution of \$3.2 million											
Fund	Balances as of 7/31/22	Current Allocation	Current Target	Proposed Target	Cash Flow	Resulting Balance	Resulting Allocati				
FIXED INCOME											
Vanguard Total Bond Mkt Index Adm	\$2,877,344	4.1%	4.0%	4.0%		\$2,877,344	3.9%				
MetWest Total Return Bond Fund Pl	\$8,599,854	12.3%	12.0%	12.0%	400,000	\$8,999,854	12.3%				
BlackRock Strategic Income K	\$6,342,108	9.1%	9.0%	9.0%	600,000	\$6,942,108	9.5%				
Eaton Vance Floating Rate Bond I	\$1,395,860	2.0%	2.0%	2.0%		\$1,395,860	1.9%				
Brandywine Global Opportunities IS	\$2,084,955	3.0%	3.0%	3.0%		\$2,084,955	2.9%				
Residual BofA Fixed Income	\$0	0.0%	0.0%	0.0%		\$0	0.0%				
Total Fixed Income	\$21,300,121	30.6%	30.0%	30.0%	1,000,000	\$22,300,121	30.6%				
DOMESTIC EQUITY											
/anguard Institutional Index I	\$8,906,255	12.8%	12.5%	12.5%	300,000	\$9,206,255	12.6%				
MFS Value R6	\$7,028,525	10.1%	10.0%	10.0%	300,000	\$7,328,525	10.1%				
MainStay Large Cap Growth Fund I	\$6,424,084	9.2%	9.0%	9.0%	300,000	\$6,724,084	9.2%				
Boston Trust Small Cap Fund	\$3,991,341	5.7%	<u>5.5%</u>	<u>5.5%</u>	300,000	\$4,291,341	5.9%				
Total Domestic Equity	\$26,350,205	37.8%	37.0%	37.0%	1,200,000	\$27,550,205	37.8%				
INTERNATIONAL EQUITY											
Dodge & Cox International Stock	\$6,613,376	9.5%	10.0%	10.0%	300,000	\$6,913,376	9.5%				
Artisan International Inst	\$6,628,693	9.5%	10.0%	0.0%	(6,628,693)	\$0	0.0%				
Harding Loevner Intl Eq Z	\$0	0.0%	0.0%	10.0%	6,928,693	\$6,928,693	9.5%				
Fidelity Global ex US Index I	\$5,788,915	8.3%	8.5%	8.5%	200,000	\$5,988,915	8.2%				
Total International Equity	\$19,030,984	27.3%	28.5%	28.5%	800,000	\$19,830,984	27.2%				
INFLATION HEDGING											
Principal Diversified Real Assets Fund R6	\$3,000,142	4.3%	4.5%	4.5%	200,000	\$3,200,142	4.4%				
Total Inflation Hedging	\$3,000,142	4.3%	4.5%	4.5%	200,000	\$3,200,142	4.4%				
PORTFOLIO INVESTED TOTAL	\$69,681,452	100.0%	100.0%	100.0%	\$3,200,000	\$72,881,452	100.0%				
CASH RESERVES											
Cash	\$45,506	0.1%	0.0%	0.0%		\$45,506	0.1%				
TOTAL PORTFOLIO	\$69,726,958				\$3,200,000	\$72,926,958					
Source: Principal	+05,120,530				+5,200,000	712,320,330					

For acknowledge and agree that you are solely responsible for is traing any instanctions and implementing any transactions that may be necessary or appropriate in order to make any changes that we may recommend in light of your bejectives and policies, performance of your inversactions that many and a factors that two determed necessary or appropriate in order to make any changes that we desire and are possibilities under this Agreement do not include ting as your agent in connection with: (a) establishing or terminating client accounts with investment managers, (b) providing any types of instructions to centrodians, (c) providing investment or withdrawn instructions to any person or unity, (d) providing or relaying wise transfer or approach in transactions are to seemine transactions approached by you in connection with any Account changes. You are responsible for ventifying the instance, fundament, and covered or all instructions to third parties and for discretly communicating any instructions to appropriate parties. We are not authorized to initiate transactions on your behalf nor can we assume responsibility for untimely, inaccurate, or complete information. You understand that recommended purchase and safe transactions are not necessarily performed instructions of investment decisions my result in sale proceeds and/or cash being ninvested for some period of time. Our Services do not include analyzing and minimizing the short-term effects that may accompany the implementation of recommended purchase.

Addendum 2:

CITY OF TORRINGTON EMPLOYEES PENSION PLAN											
CASH FLOW WORKSHEET											
Objectives: Updated Balances, replace Artisan with Harding Loevner, allocate upcoming contribution of \$220,000											
Fund	Balances as of 7/31/22	Current Allocation	Current Target	Proposed Target	Cash Flow (\$)	Resulting Balance	Resulting Allocation				
FIXED INCOME											
Vanguard Total Bond Mkt Index Adm	\$1,740,715	4.1%	4.0%	4.0%		\$1,740,715	4.1%				
MetWest Total Return Bond Fund Pl	\$5,285,344	12.4%	12.0%	12.0%		\$5,285,344	12.3%				
BlackRock Strategic Income K	\$3,905,291	9.1%	9.0%	9.0%		\$3,905,291	9.1%				
Eaton Vance Floating Rate Bond I	\$855,371	2.0%	2.0%	2.0%		\$855,371	2.0%				
Brandywine Global Opportunities IS	\$1,296,396	3.0%	3.0%	3.0%		\$1,296,396	3.0%				
Residual BofA Fixed Income	\$113	0.0%	0.0%	0.0%		\$113	0.0%				
Total Fixed Income	\$13,083,230	30.6%	30.0%	30.0%	0	\$13,083,230	30.5%				
DOMESTIC EQUITY											
Vanguard Institutional Index I	\$5,474,737	12.8%	12.5%	12.5%		\$5,474,737	12.8%				
MFS Value R6	\$4,321,974	10.1%	10.0%	10.0%		\$4,321,974	10.1%				
MainStay Large Cap Growth Fund I	\$3,902,667	9.1%	9.0%	9.0%		\$3,902,667	9.1%				
Boston Trust Small Cap Fund	\$2,447,409	5.7%	<u>5.5%</u>	<u>5.5%</u>		\$2,447,409	5.7%				
Total Domestic Equity	\$16,146,787	37.8%	37.0%	37.0%	0	\$16,146,787	37.6%				
INTERNATIONAL EQUITY											
Dodge & Cox International Stock	\$4,053,733	9.5%	10.0%	10.0%		\$4,053,733	9.4%				
Artisan International Inst	\$4,035,780	9.4%	10.0%	0.0%	(4,035,780)	\$0	0.0%				
Harding Loevner Intl Eq Z	\$0	0.0%	0.0%	10.0%	4,035,780	\$4,035,780	9.4%				
Fidelity Global ex US Index I	\$3,570,512	8.4%	8.5%	8.5%	220,000	\$3,790,512	8.8%				
Total International Equity	\$11,660,025	27.3%	28.5%	28.5%	220,000	\$11,880,025	27.7%				
INFLATION HEDGING											
Principal Diversified Real Assets Fund R6	\$1,828,941	4.3%	4.5%	4.5%	_	\$1,828,941	4.3%				
Total Inflation Hedging	\$1,828,941	4.3%	4.5%	4.5%	0	\$1,828,941	4.3%				
PORTFOLIO INVESTED TOTAL	\$42,718,983	100.0%	100.0%	100.0%	\$220,000	\$42,938,983	100.0%				
CASH RESERVES											
Cash	\$63,992	0.1%	0.0%	0.0%		\$63,992	0.1%				
TOTAL PORTFOLIO	\$42,782,975				\$220,000	\$43,002,975					
Source: Principal	•			•	•	•	•				

Tou acknowledge and agree that you are solely responsible for issuing any instructions and implementing any transactions that may be necessary or appropriate in order to make any changes that we may recommend in light of your objectives and policie, performance of your investment managers, and such other market conditions and factors that we deemed relevant. You understand and agree that our chities and responsibilities under this Agreement do not include their gas your agree in connection with (s) establishing or termining client accounts with investment managers, (b) providing our year controllars, (c) providing investment or withdrawful instructions to any person or entity, (d) providing or relaying wine transfer or payment instructions selating to the settlement of transactions, or (e) advising on or voting proxies on your behalf. We shall not be liable to you for any fullure relating to the issuance, intellures, incurrancy or completeness of instructions as to securities transactions approved by you in commention with any Account changes. You are responsible for ventifug the issuance, innellures, delivery, completeness, and correctly of a limit to thind parties and for directly communicating any instructions to spon opposite parties. We can be missing the property of the summer as a summer approachility for untimely, inaccurate, or encomplete information. You understand that recommended purchase and sale transactions are not necessarily performed simultaneously and that implementation of investment decisions may rewrit in sale proceeds and/or each being ministrated to some period of time. Our Services do not include a making any any of the necessarily performed simultaneously and that implementation of inventment decisions may rewrit in sale proceeds and/or each being ministrated to some period of time of a communication of recommended Account changes: