

BOARD OF TRUSTEES
Division of Public Works Retirement System
Meeting Minutes
February 22, 2022

A meeting of the Board of Trustees, Public Works Retirement System was held at 11:30 a.m. on Tuesday, February 22, 2022 in the Large Conference Room located at 9 Riverside Street, Nashua, NH 03062.

Trustees Present:

Frank Anderson, Mayoral Appointee (Chair)
Kathie Berube, Employee Member
John Griffin, CFO/Treasurer/Tax Collector, Member
Daniel Hudson, Employee Member
Matt Dube, Employee Member
Michael O'Brien, Aldermanic Liaison (Assistant Chair)

Trustees Absent:

Paul Shea, BPW Commissioner

Others in Attendance:

Cheryl Lindner, Treasury Management Officer
Joanne Boisvert, Trust Accountant
Mary Woods, Administrative Assistant
Eric Stubbs, RBC Wealth Management
Enrique Jaen, RBC Wealth Management
Mike Winn, RBC Wealth Management

Expected Visitors:

Mr. Eric Stubbs from RBC Wealth Management reviewed the 4Q 2021 Performance Summary and gave a short introduction of the management team that were in attendance for the new members of the board. There was a review of the booklet and focused on page 1. For the Fiscal YTD (Dec. 31, 2021) the plan was up 4.72% (6 months). He focused more on the 3-year figure and thinks it has done nicely. Stocks have come down a little since the Ukraine/Russia situation. On a Fiscal YTD basis, he stated that it is about flat since last June. He thinks that on the bond side it will stay flat. He doesn't think the Feds will be in a hurry as far as raising rates. He thinks that they will raise rates maybe three times until Aug. but only about $\frac{3}{4}$ of a percent each time. He said they don't like to get involved in politics. In terms of what it means for the pension, he doesn't think it will go down on the bond side. On the stock side, salaries are going up, jobs are available and things will be going up. There are four months to go and he thinks we will be up 3-4% at the end of the year. They were cutting back on equity back in Dec. so coming into Jan/Feb. the equity came in as a value. Trustee Anderson asked if our equity was about 63-64 right now and Mr. Stubbs said yes. Trustee Anderson mentioned to the board that RBC advised and helped with our defined "Investment Policy" and that they follow that as a "blueprint". Trustee Anderson asked if at a certain point what if the market is down another 8-9% that they would bump up the equity exposure and Mr. Stubbs replied that yes, they are trying to raise cash now. Trustee Anderson asked about the International side (about 8%) and if it was purposeful to which Mr. Stubbs said yes, international is diversified so you would want some money there. Trustee Anderson asked what "IPS" was and Mr. Stubbs replied that it was the Cities Investment Policy. Trustee Anderson also asked "if as far as the cash need from the plan, would David Fredette communicate that to RBC". Mr. Stubbs said yes, it was usually a

phone call from Mr. Fredette. Trustee Anderson asked how quickly they need notice and Mr. Stubbs replied typically a week's notice but the more notice they have, the better. Trustee Hudson asked if the presentation summary could be made available to our members and Trustee Anderson said it could be posted on the Board of Public Works Retirement Systems webpage.

Minutes of the Meeting:

The minutes of the January 25, 2022 meeting were presented for review and acceptance.

MOTION BY: Trustee, Frank Anderson moved to approve the minutes of the January 25, 2022 meeting.

SECONDED BY: Alderman, Michael O'Brien

MOTION CARRIED: Unanimously

DISCUSSION:

Personnel:

A. MOTION BY: Trustee, Frank Anderson moved to approve the retirement benefit of Life Annuity for Kerry L. Converse in the amount of \$3,743.99 per month.

SECONDED BY: Trustee, Kathie Berube

MOTION CARRIED: Unanimously

DISCUSSION:

B. MOTION BY: Trustee, Frank Anderson moved to approve the retirement benefit of 10yr Certain and Life Annuity of \$2,553.72 per month and a one-time catch up payment of \$2,553.72 for Richard D. Dion.

SECONDED BY: Alderman, Michael O'Brien

MOTION CARRIED: Unanimously

DISCUSSION:

C. MOTION BY: Trustee, Frank Anderson moved to approve the lump sum Death Benefit of \$83,834.55 plus the \$3,000.00 death benefit and withholding 20% mandated federal income tax to Karen Landry-Mazur as beneficiary of Edward A. Mazur.

SECONDED BY: Trustee, Kathie Berube

MOTION CARRIED: Unanimously

DISCUSSION:

D. MOTION BY: Trustee, Frank Anderson moved to approve the lump sum Death Benefit of \$3,000.00 to Joanne Gallagher as beneficiary of Ronald H. Couturier.

SECONDED BY: Trustee, Kathie Berube

MOTION CARRIED: Unanimously

DISCUSSION:

E. MOTION BY: Trustee, Frank Anderson moved to approve the lump sum Death Benefit of \$3,000.00 to Sabrina Nadeau as beneficiary of Richard D. Nadeau.

SECONDED BY: Trustee, Kathie Berube

MOTION CARRIED: Unanimously

DISCUSSION:

Old Business:

Trustee Anderson brought up the communication update on the Ordinance Changes for the IRS and thanked everyone for their contribution to Attorney Rich. Trustee Anderson said it may take a while to go through the IRS but wanted to thank Attorney Rich and his folks on getting the board through that process.

Trustee Anderson said that the issue of cost sharing for the pension administrative services continues and asked Alderman O'Brien what his thoughts were. Alderman O'Brien said that right now they are forming the budget and wanted to know if this is the right time to put something like this up to the Mayor. His fear is that we start to mirror the State with the ULL. He mentioned that with Hooker & Holcombe taking this over so that employees can access their account online, it does come with a cost and the cost is being taken out of what is supposed to be interest to the plan. Alderman O'Brien reiterated that we are looking to see if the City can share a portion of the yearly cost which is approximately \$40,000. Alderman O'Brien pointed out that we have saved the City money by not using the Finance Division's administrative personnel and other departments personnel. He mentioned bringing Alderman Dowd to the meeting to see if there is a way to talk to the Mayor about getting a line item on the budget with this. Trustee Anderson concurred that it is a good point and wanted to explain to Trustee Griffin that previously all the administrative work was done through the City's Human Resources Dept. which needed to change for technology reasons. He pointed out that originally, we were told that the City would be picking up the cost and that turned out not to be the case. Trustee Anderson just wanted to point out that our job, as Trustees, is to save money for the plan and make it strong for the current employees and future retirees. He wants to point out to the Mayor all the changes that have been done in the last 10-15 yrs. to the plan to save money. The board has increased the retirement years (for employees starting after July, 2010) and have done just about everything it can and would the City consider contributing to strengthen the plan. Trustee Anderson also pointed out that the down side is that if it doesn't happen, we have been taking 9.15% of employees checks and we don't want to someday have to go to the Alderman and ask for the employees to kick in more money. Alderman O'Brien said that since it is a reoccurring charge to the plan it is deserving of a line item if we go that route on the budget. He asked what Trustee Griffin's thoughts were.

Trustee Griffin said that things change over time and appreciates that it was pointed out that a retiree might be able to actually look something online. Secondly, he mentioned that it's really one of the Mayor's biggest issues with downshifting. He mentioned that they are trying to get substantial changes made and if this board thinks they are getting good service from Hooker & Holcombe, and they are able to use the talents of Joanne Boisvert, Trust Account and you are keeping track of everything and not letting anything fall through the cracks, this wouldn't be beneficial to bring to the Mayor. Trustee Griffin thinks that because the plan is well-funded the board may look like we are being a little greedy. The Public Works Division is going to be asked to create a budget, such that the average over the last two years meets inflation (which is 2.3%) and he knows that the Director and the Executives on the board have worked hard on a 0% increase last year and they are leaving things out of the budget so it does look like \$40,000 on a \$16 million budget collectively is palatable although they are forgoing some things. Trustee Griffin mentioned that because it's solely for the benefit of the Department of Public Works you would have to look at it as coming directly from their budget. He feels that the board should be proud of the work they've accomplished with the investments but doesn't even know how to begin a conversation with the Mayor on this subject. He pointed out that his department is still working hard on this. Alderman O'Brien

wanted to point out at what impact is the \$40,000 going to pay out on 10-15 years. Trustee Anderson also wanted to mention that it is a new cost. The plan was at zero cost and now we have the new number. He feels it's just the boards responsibility to look at it and mentioned that we have changed the postage charge when everything is now accessed online instead of being mailed out and that cost was \$1,500/yr. He understands that we need to go to the Mayor with things that have been done to save money to the plan. Ms. Boisvert pointed out that the plan is charged with every calculation that is given out so the fee changes every time they invoice us. Trustee Anderson pointed out that we have approached them on that and it is now up to twelve inquiries instead of nine (before the plan is charged). Trustee Hudson wanted to point out that he doesn't want our members penalized for the success of the plan. He would be interested to see a comparison of the NH Retirement System to our Retirement System. Are they contributing more per employee for a match? Trustee Griffin said, yes, much more and it is on total compensation. Trustee Hudson wants to make sure that our employees are being treated as fairly as the other employees in the State plan. Ms. Boisvert wanted to point out that she is still spending approx. 30% of her time on this plan and feeding numbers to Hooker & Holcombe for retirees daily. Trustee Anderson said that he was not aware of that fact. It was decided to leave "Cost Sharing" on the agenda under "Old Business". Trustee Berube asked how long our contract is with Hooker & Holcombe and Trustee Anderson thought that it may be ending soon.

RFP for Fund Advisory Services was discussed. Trustee Anderson thought that it has been seven years and it was time to possibly do an RFP. He believes it's time to invite other managers in and invite RBC to "sharpen their pencils". He is suggesting to possibly have a firm handle the RFP process and suggested maybe using a consultant. Some suggestions are Cambridge Associates out of Boston and Prime Bucholz, out of Portsmouth and explained that they are responsible for getting the managers. Trustee Anderson said that he will approach RBC first and then get a few more names of firms for the next meeting. He thinks the portfolio is large enough to get their attention. Alderman O'Brien wanted to know if the interview would be at the next meeting and Trustee Anderson said that this will take a while because of the process. Hopefully by year end.

New Business:

A. MOTION BY: Trustee, Frank Anderson moved to approve the current disbursement of funds for the period of January 1, 2022 through January 31, 2022 in the amount of \$424,363.77

SECONDED BY: Alderman, Michael O'Brien

MOTION CARRIED: Unanimously

DISCUSSION:

Trustee Hudson asked if it would be possible to see the previous three months disbursement like shown with the previous year's disbursements just as a comparison. Ms. Boisvert said that things change every month so she is not sure what the benefit would be. She could do it if the board wanted her to. Trustee Hudson said he just wanted to see the trend. Trustee Griffin said it shows the fees and equities have gone up this month as well as the number of retirees and agreed month to month might be tough. Trustee Anderson said he can get the equities and will check with RBC on the fees.

B. MOTION BY: Trustee, Frank Anderson moved to approve the Invoice for Hooker and Holcombe Pension Administration Services through 12/31/2021 in the amount of \$13,750.00.

SECONDED BY: Trustee, John Griffin

MOTION CARRIED: Unanimously

DISCUSSION:

This was previously approved via email with the Board Members.

Period for Public Comment:

None

Items by the Trustees:

Next meeting will be scheduled for Tuesday, March 29, 2022 at 11:30a.m.

MOTION TO ADJOURN: Trustee, Frank Anderson moved to adjourn at 12:37p.m.

SECONDED BY: Trustee, Kathie Berube

Minutes Transcribed by: Mary Woods