

BOARD OF TRUSTEES
Division of Public Works Retirement System
Meeting Minutes
February 25, 2020

A meeting of the Board of Trustees, Public Works Retirement System was held at 11:34 a.m. on Tuesday, February 25, 2020, in the Large Conference Room located at 9 Riverside Street.

Trustees Present: Frank Anderson, Mayoral Appointee
Kathie Berube, Employee Member
Nick Caggiano, Employee Member
Matt Dube, Employee Member
David Fredette, Treasurer, Member
Kevin Moriarty, BPW Commissioner

Trustees Absent: Michael O'Brien, Aldermanic Liaison (Assistant Chair)

Others in Attendance: 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 gave a Portfolio Review for the period ending December 31, 2019. Mr. Stubbs pointed out that for the fiscal year to date the fund was up 6.44%. The calendar year to date was also summarized. In terms of updates, Mr. Stubbs pointed out in the handout (page 4) what the asset allocation was as of Friday, Feb. 21, 2020. He stated that if you look at it from a year to date number, the account, as a whole, is up .5% and as of today is on the verge of 70% even with the drop on Monday, Feb. 24th. Mr. Stubbs stated that the economy doesn't always follow economics and economics may tell you broadly where the market will go. Trustee Anderson asked where the fund was right now and Mr. Stubbs replied that the fund is at about 63% and pointed out the year to date numbers were on page 7 of the handout. Mr. Stubbs thinks the fund is in pretty good shape and said there is tremendous competition to create a vaccine for the Coronavirus. Mr. Stubbs stated that right now there are several companies working on a vaccine and he believes that by this summer they will have a trial vaccination. Trustee Anderson asked if they were watching the upcoming elections yet and he responded that "no, they were not". Trustee Anderson asked if Mr. Stubbs was comfortable with the equities and he replied that he was. Trustee Anderson asked if there was a possibility that he would dip into the fixed income and Mr. Stubbs replied that he could for a source of funds.

Trustee Anderson asked Mr. Stubbs the question that was proposed from the Mclean Law Firm about our City Ordinance being out of compliance with the IRS. Trustee Fredette said the Ordinance was changed in 1986/87 to meet compliance. Mr. Stubbs asked if the law firm told him what specifically needed to be changed and Trustee Fredette said no but they did give him an estimate on the cost if we wanted it changed. The McLean Law Firm said there were two ways to do it, either "red line" the changes or they could rewrite the whole thing themselves. The law firm said that this board would have to apply for a temporary correction to the IRS which would also be a fee. The McLean Law Firm said there's also a "user fee" that would be an additional cost. Trustee Anderson said the question to the lawyers would be "what is our liability" in all of this. Trustee Anderson also stated that when we have more information we will get back to Hooker & Holcombe and run it by them. Trustee Fredette said that he may check with the City of Manchester to see if they have come across this since they have a similar Pension Board.

Minutes of the Meeting:

The minutes of the January 28, 2020 meeting were presented for review and acceptance.

MOTION BY: Trustee, Frank Anderson moved to accept, place on file, and approve the minutes of the January 28, 2020 meeting.

SECONDED BY: Trustee, David Fredette

MOTION CARRIED:

DISCUSSION:

Personnel:

The resignation of Mr. Emil Bravo was presented to the Trustees with his final calculation and the election of his benefits to be provided from Hooker & Holcombe after the fact. The board approved the resignation and the return of his contributions with interest.

MOTION BY: Trustee, Frank Anderson moved to accept the resignation of Mr. Emil Bravo pending the final calculation and the election of his benefits.

SECONDED BY: Trustee, Kathie Berube

MOTION CARRIED: Unanimously

DISCUSSION:

The resignation of Mr. Matthew Collins was presented to the Trustees with his final calculation and the election of his benefits to be provided from Hooker & Holcombe after the fact. The board approved the resignation and the return of his contributions with interest.

MOTION BY: Trustee, Frank Anderson moved to accept the resignation of Mr. Matthew Collins pending the final calculation and the election of his benefits.

SECONDED BY: Trustee, Kathie Berube

MOTION CARRIED: Unanimously

DISCUSSION:

Old Business:

Issue of the Hooker & Holcombe Contract for administrative services being paid directly from the Retirement Trust Fund. Trustee Fredette has been trying to get a meeting with the Mayor for the Trustees to discuss this issue with him.

Trustee Anderson would like to at least go on record saying that the board is trying to meet with the Mayor and he would also like to get an update from Trustee O'Brien on his discussion with the Director of Public Works, Lisa Fauteux. Trustee Caggiano thought maybe we could attach the Board of Trustees Minutes to the Board of Public Works Minutes. Trustee Berube said that either the Director of Public Works or the Chairman of the Board, Mayor Donchess would have to approve the submission.

Trustee Anderson wanted address the other item under "Old Business", to review the ordinance to ensure that it conforms to current IRS Regulations. Trustee Anderson explained to our new Board Member, Kevin Moriarty that we reached out to a Pension Attorney a few months ago on a personnel matter and mentioned that a lot of things have not been updated in our Ordinance since 1987. Trustee Anderson explained that in order to get specifics it may cost between \$10,000 and \$20,000. Trustee Fredette said he would still like to call the City of Manchester and see if they have a similar ordinance and then Trustee Anderson & Trustee Fredette could call Attorney Rich with the pros and cons.

New Business:

Approval of the current disbursement of funds for the period of January 1 thru January 31, 2020 in the amount of \$308,380.66 was presented to the Board. The Trustees reviewed the detail.

MOTION BY: Trustee, Frank Anderson moved to approve the current disbursement of funds for the period of January 1, 2020 thru January 31, 2020 in the amount of \$308,380.66

SECONDED BY: Trustee, Nick Caggiano

MOTION CARRIED: Unanimously

DISCUSSION:

Period for Public Comment:

None

Items by the Trustees:

Trustee Anderson wanted to bring up what days and times would the new Trustee, Kevin Moriarty would be available to attend meetings and Trustee Moriarty said that he would still be available on Tuesdays but from 12:30-1:30. That was agreeable to all the board members.

Next meeting will be March 31, 2020.

MOTION TO ADJOURN: Trustee, Frank Anderson moved to adjourn at 12:15p.m.
SECONDED BY: Trustee, Kathie Berube
MOTION CARRIED: Unanimously

Minutes Transcribed by: Mary Woods