

BOARD OF TRUSTEES
Division of Public Works Retirement System
Meeting Minutes
July 27, 2021

A meeting of the Board of Trustees, Public Works Retirement System was held at 12:30 p.m. on Tuesday, July 27, 2021 in the Large Conference Room located at 9 Riverside Street.

Trustees Present:

Michael O'Brien, Aldermanic Liaison (Assistant Chair)
David Fredette, Treasurer, Member
Kevin Moriarty, BPW Commissioner
Daniel Hudson, Employee Member
Kathie Berube, Employee Member
Matt Dube, Employee Member

Trustees Absent:

Frank Anderson, Mayoral Appointee

Others in
Attendance:

Diane Thibodeau, Executive Assistant
Eric Stubbs, RBC Wealth Management
Enrique Jaen, RBC Wealth Management

Expected Visitors:

Mr. Eric Stubbs from RBC Wealth Management reviewed the portfolio. He stated that for the Fiscal Year 2020, the plan was up 26%. The equity portion was up 38% which improves the plan. The fixed income portion did well also up 2.8%. He likes to look at the 3yr number to see how the plan is really doing. Overall he believes we are in still good shape. Trustee Fredette asked about the 3yr average and Mr. Stubbs replied that yes, it is in the report in the right hand column. Trustee Hudson asked if he had all the numbers that went into the three year plan and Mr. Stubbs said the previous year is on the same sheet and is 4.59% and 6.29% for the year before that. Trustee Fredette asked how long they have had the portfolio to which Mr. Stubbs replied that it had been five years. He said the 5 year number is 10.25%. Page 8 of the report has some back up numbers. He talked about the stock portion which is "value" and is in energy, healthcare and technologies. Trustee Fredette said that it looked like they have had the account for almost seven years and Mr. Stubbs said that he believes it was 2013/2014. Alderman Moriarty had a question on asset allocation. What is the equity and fixed income, is it just stocks? Mr. Stubbs said yes, it's just stocks. They have under invested in International stocks and concentrated on US stocks. Alderman Moriarty asked about the cash investment and Mr. Stubbs said that the reason the money market was there was because they were moving it from stocks to bonds.

Mr. Enrique Jean spoke about his handout. Alderman Moriarty asked about the number of retirees and does it effect the plan and Trustee Fredette said no, they project really well for that. Mr. Jean said there are proposed changes so the liabilities will be a little higher. Mr. Stubbs

talked about what it means to be fully funded. It doesn't mean you can close the books. It means that if you are at 7% you are alright. Mr. Jean spoke about pages 3 & 4 of the handout. He spoke about the funding ratio chart saying the fund is 87% fully funded which means that the plan is much better than the average of 75%. The discount rate is 7% which is better than the average. The plan is at the median for the discount rate. He spoke of the page regarding Public Plans but it was mentioned that some are much larger State plans. He spoke about Page 6 and funding ratios. The statistics are based on the plan size mentioning that this plan is better off than most.

Mr. Stubbs wanted to give a brief update and he said regarding world economics. He said we could possibly see a more stable possibly better stock market for the next few months. On the bond side he said there are two things, one is worry about will COVID keep the interest rates down and what will the Feds do. They could raise bond rates. Equity side is up 12-15% so maybe we will get another 3-4% for the rest of this year and see what happens next year. They will see what happens internationally but the US bonds are doing very well from the stock market point of view. Trustee Fredette asked if there was a limit of 70% and Mr. Stubb's said that yes there was. Trustee Dube, wanted to know if the 7% has been for the whole time we have been with RBC and Trustee Fredette said no, one time they cut it down. Trustee Dube wanted to know how long it's been at 7% and Trustee Fredette said that he could find out but thinks it's been 3-4 years. Trustee Hudson wanted to know if the presentation could be given to us in PDF format to share with employees and they said yes, they can provide that to the board.

Minutes of the Meeting:

The minutes of the June 29, 2021 meeting were presented for review and acceptance.

MOTION BY: Trustee, Kathie Berube moved to accept, place on file, and approve the minutes of the June 29, 2021 meeting.

SECONDED BY: Trustee, Daniel Hudson

MOTION CARRIED:

DISCUSSION:

Personnel:

The retirement of Mr. Michael T. Harris was presented to the Trustees with his final calculation and the election of his retirement benefits.

MOTION BY: Trustee, David Fredette moved to accept the retirement calculation of Mr. Michael T. Harris and the election of his retirement benefits.

SECONDED BY: Trustee, Kathie Berube

MOTION CARRIED: Unanimously

DISCUSSION:

The retirement of Mr. Edgar E. Jackson was presented to the Trustees with his final calculation and the election of his retirement benefits.

MOTION BY: Trustee, David Fredette moved to accept the retirement of Mr. Edgar E. Jackson with his final calculation and the election of his retirement benefits.

SECONDED BY: Trustee, Kathie Berube

MOTION CARRIED: Unanimously

DISCUSSION:

Old Business:

On the issue of cost sharing for pension administrative services, Trustee Fredette said that he had a meeting with the Mayor on other issues but brought this up again. He let the Mayor know the Chair of the Trustees and one or two members would like to meet with him on this issue of paying for the cost of administrative services, which is about \$40,000 per year. The mayor had concerns on picking up the cost on this but will let him know. He will bring it up to the Mayor again.

Regarding the update on the pension ordinance to ensure that it conforms to IRS Regulations, Trustee Fredette said that he is still waiting for Attorney Rich to complete the revision. He said that it is almost complete. Trustee Fredette said that as soon as he receives it he will send the revised Ordinance out to the Board. Trustee Berube asked if the board was paying for this. Trustee Fredette said that he found money to pay for the first invoice but is not sure about the final invoice.

New Business:

Approval of the current disbursement of funds for the period of June 1, 2021 through June 30, 2021 in the amount of \$267,886.69 was presented to the Board. The Trustees reviewed the detail.

MOTION BY: Trustee, David Fredette moved to approve the current disbursement of funds for the period of June 1, 2021 thru June 30, 2021 in the amount of \$267,886.69.

SECONDED BY: Alderman Moriarty

MOTION CARRIED: Unanimously

DISCUSSION:

Approval of the Invoice for Hooker and Holcombe Actuarial Services and Consulting Fees through 6/30/2021 in the amount of \$500.

MOTION BY: Trustee, David Fredette moved to approve the payment of the Invoice for Hooker and Holcombe Actuarial Services and Consulting Fees through 6/30/2021 in the amount of \$500.

SECONDED BY: Alderman, Kevin Moriarty

MOTION CARRIED: Unanimously

DISCUSSION:

Approval of the Invoice for Hooker and Holcombe Pension Administration Services through 6/30/2021 in the amount of \$11,250.

MOTION BY: Trustee, David Fredette moved to approve the payment of the Invoice for Hooker and Holcombe Pension Administration Services through 6/30/2021 in the amount of \$11,250.

SECONDED BY: Alderman, Kevin Moriarty

MOTION CARRIED: Unanimously

DISCUSSION:

Period for Public Comment:

None

Items by the Trustees:

None

Next meeting will be scheduled for Tuesday, August 31, 2021 at 12:30p.m.

MOTION TO ADJOURN: Trustee, David Fredette moved to adjourn at 1:24 p.m.
SECONDED BY: Trustee, Daniel Hudson

Minutes Transcribed by: Mary Woods

DRAFT