

BOARD OF TRUSTEES
Division of Public Works Retirement System
Meeting Minutes
August 23, 2022

A meeting of the Board of Trustees, Public Works Retirement System was held at 12:33 p.m. on Tuesday, August 23, 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
Matt Dube, Employee Member
John Griffin, CFO/Treasurer/Tax Collector, Member
Daniel Hudson, Employee Member
Paul Shea, BPW Commissioner

Trustees Absent:

Michael O'Brien, Aldermanic Liaison (Assistant Chair)

Others in Attendance:

Kathleen Carragan-Tolland, Retiree
Cheryl Lindner, Treasury Management Officer
Eric Stubbs, RBC Wealth Management
Mike Winn, RBC Wealth Management
Mary Woods, Administrative Assistant

Expected Visitors:

Mr. Eric Stubbs from RBC Wealth Management reviewed the 2Q 2022 Performance Summary for the Fiscal YTD (June 30, 2022). A Portfolio Review was also handed out for the period ending August 17, 2022.

The one-page Performance Summary is as of June 30, 2022. Mr. Stubbs said that June was the worst month so far this year with stocks dropping 20% and bonds down about 9%. The total value of the fund at that time was \$55 million. The asset allocation is about 65.9% of equities and about 31% were in bonds. He also ran a current report and said that right now, as of last week, the market was up a considerable amount. Overall the assets were \$48.5 million. The quarter to date is up 8.7%. The three-year figure was up 5.1% annualized and now the fund is up 8.4% through last Friday, August 19, 2022.

Mr. Stubbs said that as for this year, the most important thing that has taken place is that the Federal Government has raised interest rates which has devalued bonds. He stated that on stocks, the rise is a little subtler. He also thinks that the Ukraine War has had an affect on the market because it has caused oil prices to rise and people don't like the uncertainty of war. Mr. Stubbs commented that he doesn't think the "Feds" are done raising the rates. He thinks they may go up another ½% or ¾% but he thinks we will see signs of inflation coming down in the economy. Not just in oil prices. He thinks the supply problems are slowly coming down and maybe within a year, things will come back to normal. Trustee Griffin had a question regarding inflation, "when Ukraine was attacked, the 401K's, 457's and this plan, based on the numbers, seem like there was a significant dip and for those of us that didn't rush to cash, are you saying that now it is coming back"? Mr. Stubbs

responded that what the amazing thing is what he calls “stagflation”. He stated that this is not the first time this has happened. It happened in the 1970’s and we recovered. Two things that surprised him, one is how violent the drop was and the second is how fast the recovery was. He thinks if you move too fast you miss the recovery with stocks. Trustee Griffin asked what he thought of the housing market. Mr. Stubbs replied that when the interest rates go up it’s usually the housing market that takes it on the chin and then it trickles down to the rest of the economy. In terms of the “short term” he thinks the housing market in the Northeast will suffer. Trustee Anderson asked about the individual bonds in the portfolio and Mr. Stubbs said that some have been moved into the protected bonds. Trustee Dube asked about the “time span on bonds right now” to which Mr. Stubbs replied “right now it is about 30% maturity below three years”.

Mr. Stubbs wanted to comment on asset allocation guidance. He explained how the information is obtained and how that applies to this plan. Trustee Anderson said that it is tailored according to our “Investment Plan”. Mr. Stubbs said that the Investment Policy Statements are different but they make sure it is consistent with our Investment Plan. Trustee Anderson said that we are embarking on an RFP process (which he has already spoken to RBC about) just for the fiduciary responsibility and looking at cost and RBC will be integral to that process and we will see them possibly in Oct./Nov.

Minutes of the Meeting:

The minutes of the June 28, 2022 meeting were presented for review and acceptance.

MOTION BY: Trustee, Frank Anderson moved to approve the minutes of the June 28, 2022 meeting.

SECONDED BY: Trustee, Kathie Berube

MOTION CARRIED: Unanimously

DISCUSSION:

Personnel:

A. MOTION BY: Trustee, Frank Anderson moved to approve the retirement benefit of Life Annuity for Thomas Dwane in the amount of \$1,705.92 per month and one-time catch-up payment of \$3,411.84.

SECONDED BY: Trustee, Kathie Berube

MOTION CARRIED: Unanimously

DISCUSSION:

B. MOTION BY: Trustee, Paul Shea moved to approve the return of contributions to Daniel Bello in the amount of \$12,497.71.

SECONDED BY: Trustee, Frank Anderson

MOTION CARRIED: Unanimously

DISCUSSION:

Old Business:

A. Trustee Anderson brought up the communication update on the Ordinance Changes for the IRS and said that has been submitted to the IRS. He stated again that we are just waiting for the IRS to inform Attorney Rich of McLane that everything is in order and they have accepted our changes for the pension system.

- B. RFP for Fund Advisory Services was discussed. Trustee Anderson said that his hope is that it will be done by the end of the fiscal year. He is open to suggestions but he feels that when a plan approaches \$50 million, like this one, it needs to be looked at. He stated that RBC has done a well but with “our fiduciary hats on” it’s worth it to look at other investment managers to come in and talk to the board. His first thought was the City of Manchester because he thinks they utilize this but they also have a Chief Investment Officer that handles it as well.

New Business:

- A. **MOTION BY:** Trustee, Frank Anderson moved to approve the current disbursement of funds for the period of June 1, 2022 through June 30, 2022 in the amount of \$288,262.51.
SECONDED BY: Trustee Daniel Hudson
MOTION CARRIED: Unanimously
DISCUSSION: Approval of the current disbursement of funds for the period of June 1, 2022 through June 30, 2022 in the amount of \$288,262.51 was presented to the Board. The Trustees reviewed the detail.
- B. **MOTION BY:** Trustee, Daniel Hudson moved to approve the Quarterly Invoice for Hooker and Holcombe Pension Administration Services through June 30, 2022 in the amount of \$11,850.00.
SECONDED BY: Trustee, Kathie Berube
MOTION CARRIED: Unanimously
DISCUSSION: The Trustees discussed the invoice and that how the Board needs to have someone from Hooker & Holcombe’s IT Group who handles the pension in to discuss how the invoice is broken out.

Period for Public Comment:

Retiree, Kathleen Carragan-Toland wanted to address the board regarding her recent retirement and the concerns she has.

Ms. Carragan-Toland said that she tried to go through the Hooker & Holcombe portal that she had previously set up. She stated that when she went for her exit interview with Human Resources she was told that she would get all the necessary information, regarding her owed vacation, in the mail. She has not received anything in the mail as of today. The issue is, the BOT Retirement Systems handbook indicates that an update was done in 2016 but there were changes to the 2019 BOT Retirement Systems Ordinance not incorporated into the handbook. Ms. Carragan-Toland said that one of the changes was how they were going to calculate the money paid for vacation time owed.

Trustee Griffin asked Ms. Carragan-Toland if she had got the “thirteen-page packet from Hooker & Holcombe” to which she replied no, she didn’t know that she had to request it. Trustee Griffin also mentioned that it is hard to retire on the fifteenth of the month and expect a check at the beginning of the next month. Ms. Carragan-Toland said that she wants to make sure when “she signs on the dotted line” that she has researched it. She said that she was able to get a message to Hooker & Holcombe, through the portal, and they responded promptly. She mentioned “Letter E” in the Handbook under “Contributions to System” with an explanation of the deductions. She wants to know if it was the City’s “intention” to take the Federal Tax out of her vacation that is owed to her. She needs the information so that she can go to the Social Security Office and let them know what her earnings will be. Trustee Griffin said there is a lot of debate about Social Security and the

“windfall” if people haven’t worked their forty quarters and thirty years in an organization paying FICA to get their “full” benefit.

Trustee Anderson asked the Board if this issue has come up before to which Trustee Griffin said yes, he believes he has heard former Trustee David Fredette speak of it.

Ms. Carragan-Toland also mentioned the “first page of the portal” and said that someone should explain who is a “participant” and who is a “sponsor” to employees when they retire/resign. She mentioned that it would be nice if there was a booklet to navigate the portal be printed for employees leaving the City.

Trustee Shea mentioned the fact that the board needs to get the ordinance, handbook and the practice on the same page with matching updates.

Trustee Berube also mentioned that there is no way of updating your beneficiary information on line at Hooker & Holcombe through the portal.

Trustee Hudson mentioned that the form with instructions on how to access Hooker & Holcombe should be given out when the employee goes to Human Resources for an exit interview. He doesn’t think the supervisors should be responsible to hand out the form with Hooker & Holcombe’s phone number to a resigning employee.

Items by the Trustees:

Trustee Anderson would like to have Hooker and Holcombe on a Zoom call next meeting to discuss the boards concerns with the invoicing and communication with employees.

Next meeting will be scheduled for Tuesday, September 27th at 12:30p.m.

MOTION TO ADJOURN: Trustee, Frank Anderson moved to adjourn at 1:55p.m.

SECONDED BY: Trustee, Daniel Hudson

Minutes Transcribed by: Mary Woods