

**CITY OF MIDDLETOWN
MINUTES OF THE RETIREMENT BOARD
REGULAR MEETING
Monday, February 12, 2018 at 9:00 am**

The Regular Meeting of the Retirement Board of the City of Middletown
was held in room 208 of the Municipal Building

Board Members Present: Linda Salafia, Steve Gomes, Joe Serra, John Milardo, Jim Reynolds, Carl Erlacher, Mary Bartolotta (9:20)

Board Members Absent: Mayor Drew

City Employees/Public/Others Present: Diana Doyle, Kori Wisneski (OGC), Gerry Goldberg (GYL)

- Meeting Called to Order at approximately 9:15 am
- No Public Comments on the Agenda
- Approval of Minutes
 - November 13, 2017 regular meeting
 - Linda motioned to approve and was seconded by Steve
 - All in favor

Note: Jim suggested moving the OGC item before the Review of Investments. No objections.

- OGC – clarification regarding employment criteria required for inclusion in Pension system; discussion of review and re-evaluation of Disability Pensions
 - Inclusion in Pension System:
 - Kori referred to the Pension Plan Document and Personnel Rules regarding the participation eligibility of the Mayor and Mayor’s Chief-of-Staff/ Administrative Assistant in the Pension system; stated that language in the Plan Document (p. 3 definitions “Eligible Employee” & “Eligible Official” and, p. 7 section 2.01C, “Conditions of Membership”) confirms that both positions meet the criteria to be included in the Pension system
 - Review and Re-evaluation of Disability Pensions:
 - Kori stated that there are 25 retired police officers collecting disability pensions. Kori went through the plan documents, ordinances, and contract language with the Board to explain their ability to follow-up with each of these former officers to affirm that they remain disabled. In light of the relevant documents, Kori suggested that the Board could follow-up on the status of each of these former officers by (1) sending out letters to confirm if recipients are working and (2) sending the individuals back to doctors to confirm that the individuals continue to be totally and permanently disabled from being a police officer. Jim Reynolds suggested that the Board might want to send out initial letters to confirm working status first and then decide next steps after that.

- John motioned to accept the OGC recommendation of sending correspondence regarding employment to each duty disability recipient and was seconded by Linda
 - All in favor
- Review of Investments
 - Gerry reviewed the Plan performance and noted a 1.8% decline of assets since 12/31/17; during review of the OPEB Trust, the Board was informed that a replacement for Neuberger Berman would be recommended
 - Gerry outlined the GYL Asset Allocation Study for the Pension Fund; GYL recommended an alternative 60%/40% allocation that would increase/decrease some current exposures and introduce REIT (Real Estate Investment Trust), resulting in a net effect of an increased rate of return from 6.05% to 6.22%
 - Carl motioned to accept the GYL recommendation for the adjusted 60%/40% asset allocation, for the Pension Fund, and was seconded by Steve
 - All in favor
 - Gerry discussed the REIT (Real Estate Investment Trust) screening process; GYL recommends Cohen & Steers Real Estate Securities, for both the Pension Fund and OPEB Trust
 - Carl motioned to accept the GYL REIT (Real Estate Investment Trust) recommendation of Cohen & Steers Real Estate Securities and was seconded by John
 - All in favor
 - GYL recommended changing the current OPEB Trust 60%/40% asset allocation to a 65%/35% allocation
 - John motioned to accept the GYL recommendation to change the OPEB asset allocation to 65%/35% and was seconded by Joe
 - All in favor
 - Gerry outlined the OPEB Mutual Fund Manager Search (replacing Neuberger Berman); discussion regarding the results of the search and benefits of the managers
 - Steve motioned for the Board to select MainStay High Yield Corporate Bond I and was seconded by Carl
 - All in favor

- Reports:
 - Actuarial Valuation Report
 - Steve motioned to accept the Actuarial Valuation Report and was seconded by Linda
 - All in favor
 - *Note: Gerry stated that the Actuarial Valuation Report still refers to Wells Fargo while GYL is the correct reference*
 - Treasurer's Report (informational)
 - Pension Investment Report (informational)

- Applications for Membership

	<u>Start Date</u>	<u>Department/Union</u>
Kiarra Bennett	12/6/17	BOE/466
Joy Collins	12/11/17	Library/Library
Jean Newman	11/30/17	BOE/466
James Santoro	12/18/17	Public Works/466
Jeffrey Scoppetto	11/10/17	Police/Police
Cody Sperry	11/16/17	Public Works/466
Alison Sprague	11/15/17	BOE/466

- Requests to Retire/Collect/Vest

	<u>Yrs of Svc</u>	<u>Department/Union</u>
Tracy Barnett (vest)	10 yrs	BOE/466
Linda Bettencourt	24 yrs	Town Clerk/UPSEU
Sebastian Cardella	15 yrs	BOE/466
Salvatore Cretella	21 yrs	Fire/Fire
MaryLee Dorflinger	37 yrs	Public Works/466
Joseph Kronenberger	22 yrs	Central Comm/UPSEU
Michael Lukanik	20 yrs	Police/Police
William Wiggins Jr.	23 yrs	Fire/Fire
Robert Young (vest)	11 yrs	Water & Sewer/UPSEU

- Refund Requests/Adjustments/Other

	<u>Department/Union</u>
Matthew Poland (rollover)	Library/Non-Barg
Melissa Robinson (rollover)	BOE/466

- Deceased Pensioners
 - Sandra Faraci (surviving spouse)
 - Rose Keithan (surviving spouse)
 - Charles Trowbridge (benefits to spouse)

- Adjournment of Meeting
 - John motioned to adjourn and was seconded by Joe
 - All in favor

Respectfully submitted: Carl Erlacher