

CITY OF MIDDLETOWN
MINUTES OF THE RETIREMENT BOARD
Monday, May 13, 2019 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: Steve Gomes, Sandy Pasculano, Linda Salafia, Carl Erlacher, John Milardo, Joe Serra

Board Members Absent: Mayor Drew, Mary Bartolotta

City Employees/Public/Others Present: Diana Doyle, Michael Lepore, GYL, Kevin Starbird

- Meeting Called to Order at approximately 9:10 am
- No Public Comments on the Agenda
- Approval of Minutes
 - *November 19, 2018 amendment*
 - *For the record, Sandy abstained from voting on the November 2018 minutes*
 - February 19, 2019 regular meeting
 - Linda motioned to approve and was seconded by Sandy
 - All in favor
 - March 12, 2019 special meeting
 - Linda motioned to approve and was seconded by John
 - All in favor
 - March 19, 2019 special meeting
 - Linda motioned to approve and was seconded by Sandy
 - All in favor
- GYL Review
 - Michael advised Board that New Amsterdam – SMID Cap Manager – is winding down; GYL recommended moving assets to Index Fund during search for new manager; Fidelity Extended Market Index offers same asset class as New Amsterdam, complements with current S&P 500 exposure, offers less over-lap of investments (in S&P 500), has historically better performance than iShares and lower fees
 - John motioned to accept GYL recommendation, to liquidate New Amsterdam and transition to Fidelity Extended Market Index and was seconded by Linda
 - All in favor
 - The Pension Fund value at the end of the 1st quarter was \$417,686,501
 - Michael reviewed the Plan performance; stated that earnings are positive and slightly better than expected; asserted the benefits of current asset allocation - diversified portfolio aids in insulating against market volatility

- Carl asked for review of REITs performance; Michael stated that performance has been strong, noted the underperformance, relative to the benchmark, is due to short period of time REITs have been in portfolio (March 2018); asserted REITs active strategy allows for diversification by providing opportunity to pick & choose investments; noted some REITs are expanding from traditional real estate to warehouse spaces, data centers, cell towers
- GYL recommended no changes to asset allocation or portfolio, other than New Amsterdam migration to Fidelity Extended Market Index
- The OPEB Trust value at the end of the 1st quarter was \$13,818,978
- Michael reviewed performance of OPEB; advised Board that Transamerica is being watched closely due to underperformance, but not on watch list; indicated GYL anticipates underperformance from Mainstay High Yield, in relation to benchmark; stated it is not noteworthy in context of portfolio, as Mainstay has strong downside protection and reduced volatility
- Reports: (informational)
 - Treasurer's Report
 - Pension Investment Report

<u>Applications for Membership</u>	<u>Start Date</u>	<u>Department/Union</u>
Nicole Barone	3/21/19	BOE/466
Rohan Manning	3/11/19	Finance/Non-Barg
Christine Raczka	3/4/19	PCD/466
Amy Slowik	4/22/19	Library/Library
Jeffrey Zadjura	2/7/19	Police/Police

<u>Requests to Retire/Collect/Vest</u>	<u>Yrs of Svc</u>	<u>Department/Union</u>
Alton Sanders	18 yrs	Water & Sewer/UPSEU
Laura Tetrault (vest)	15 yrs	Police/466

- Deceased Pensioners
 *** *for the record, William McInerney's last name appeared incorrectly on the agenda*
 William McInerney (benefits to spouse)
 Margaret Carta
 Paul Moscaritolo (benefits to child)
 Eleanor Poole
 William Sneed, Jr.

- Election of Pension Board member
 - Carl motioned for Board to confirm election details with Town Clerk and was seconded by Linda
 - All in favor
- Adjournment of Meeting
 - Joe motioned to adjourn and was seconded by Linda
 - All in favor
 - Respectfully submitted: Carl Erlacher