A regular meeting of the Town of West Hartford Pension Board was held on Monday, January 22, 2024 at 7:45 a.m. in room 407 of Town Hall.

The meeting was called to order at 7:45 a.m.

I. Roll Call/Attendance

Pension Board Members: Chair Lazaro Guzman, Commissioners Alan Lebow, Jim Brennan, and Perry Salonia, and Peter Privitera, Director of Finance

Participants/Guests: Rick Ledwith, Town Manager, Lisa Newton, Financial Operations Manager, Lori Kearney, Human Resources Specialist, Chris Kachmar, Fiducient Advisors

Absent: Mayor Shari Cantor, Mary Fay, Town Council

II. Lazaro Guzman, Chair

A. Opening Comments

III. Chris Kachmar, Fiducient Advisors

A. Fourth Quarter Performance Update

1. 2023 began with thoughts of a recession. Although that did not happen, it set the markets on an unsettled path. This coupled with the regional bank crisis in the Spring and ongoing geopolitical concerns impacted market performance.
2. The Fed made good progress on inflation, from 8% earlier this year to 3 ½% today, and it may begin to reduce interest rates in Spring 2024. Markets responded to that news at the end of the year.
3. A good year in equity markets but narrow. 7 large tech stocks drove the averages in 2023. Base rates are higher than they've been for quite some time. This will impact the allocation work for better fixed income returns for that portion of the Plan's portfolio.
4. 4th quarter asset class returns - strong quarter for fixed income, positive equity markets, but commodities weak.
5. Strong 4th quarter for the plan, up 9.2%, equating to an almost $46 million investment gain. Plan is up 15.1% for the year,

equating to an almost \$73 million gain. Ending market value of the Plan \$542,818,892.

6. Question raised on \$1 million discrepancy between prior quarter's ending market value (\$498 million) and 4th quarter's starting value (\$497 million) in the slide deck. Chris will research and respond at March meeting. He will also provide data on investment expenses. Currently they are imbedded in the gain/loss cash flow figures. Chris will provide an illustration that breaks them out.
7. Al noted that despite the strong quarter and year, the Plan had a \$103 million shortfall in 2022. While it has gained back about \$12 million, it is still about \$90 million behind and has not yet recovered from that loss.

B. Asset Allocation Review / Plan Cash Flow Review & Investing Considerations

1. The Plan is currently carrying an overweight in domestic equity and concurrent underweight in fixed income. The Board will need to address this allocation issue.
2. Fiducient Advisors updated its capital market assumptions for both a ten-year and twenty-year outlook. Expectations for fixed income are elevated. Board could consider changing the equity-to-fixed income mix from the current 70-30 to 50-50 or 60-40. Fiducient Advisors' slide deck forecasts 10 and 20 year returns and annualized volatility with each of those strategies.

C. MetWest Total Return Fund Discussion

1. MetWest continues to be on watch. The rest of the roster is in good working order. While MetWest had a good 4th quarter, there are still issues with its team structure. The Board may wish make a change over the next few months based upon the results of Fiducient Advisors' research. Core and core plus managers for the Board's consideration are included in slide deck.

D. Barings Real Estate Update

1. Barings Real Estate remains a work in progress. The real estate complex is challenged and Barings has been challenged with its re-do. Some of its office properties are in the marketplace,

however, some have not made it to the market because Barings considers them not yet ready for sale.

2. Baring's opinion is that they are poised to stabilize, the worst of the repricing and the challenges in real estate have come to pass.
3. The Plan requested 50% liquidation (about $12.5 million) several quarters ago and has gotten back only about $500,000. Not enough capital returned to re-deploy. Fiducient Advisors will continue to monitor.

IV. Peter Privitera, Director of Finance

A. Peter announced his plans to retire. The March 4, 2024 meeting will be his last meeting with the Board.

B. Lisa Newton, Financial Operations Manager, will attend upcoming meetings.

V. Lori Kearney, Human Resources Specialist

A. Meeting calendar for 2024 – next meeting March 4, 2024

B. Summary of items under Formal Actions

VI. Formal Actions

A. Minutes

1. Approval of the minutes for the regular meeting held on Monday, December 4, 2023.

Motion by Chair Guzman to approve the minutes for the regular meeting held on Monday, December 4, 2023. Motion seconded by Jim Brennan. All in favor. Motion passed.

B. Pension Administration

Motion by Chair Guzman to approve all items under Pension Administration. Second by Perry Salonia. All in favor. Motion passed.

1. Memberships

BOE – Luis Calle, Dalia Edris, Zoe Kay, Deneen Neubauer, Matthew Pare, Sarah Rosen.

Town – Darrell Dublin, Casey Farrell, Andrew Heller, Daniel Hopkins, Kathryn Kottas, Jacqueline McLaughlin, Shelby Mitchell, Jameson Petersen, Nelson Raposo, Eric Sims Jr., Michael Vignale, James Williams.

2. Withdrawals and Terminations
BOE – Ikechukwu Moemeka, Ellen Clifford, Lizana Patrick, Lily Veretto, Lauren Mitchell, Katherine Sanders, Ashley Key.
Town – Andrew Freitas, Delionel Jimenez.
3. Applications for approval
   a. Vested Interest
      BOE – Erin Loveland, Besnik Mucka.
      Town – Mark DiCiancia, Danielle Lagueux, Brittany MacGilpin.
   b. Early Retirements
      Town – Danielle Lagueux.

C. Invoices for consideration
1. Milliman – $1,500 for MARC implementation fee for December 2023. Dated December 15, 2023.
2. Fiducient Advisors – 3rd quarter consulting fee in the amount of $17,500. Dated October 30, 2023.
3. Fiducient Advisors – 4th quarter consulting fee in the amount of $17,500. Dated January 12, 2024.
4. Pier Capital LLC – 4th quarter management fee in the amount of $90,358.24. Dated January 8, 2024.

Motion by Chair Guzman to approve the invoices under consideration. Motion seconded by Peter Privitera. All in favor. Motion passed.

VII. New Business
No new business raised.

VIII. Adjournment
Motion by Chair Guzman to adjourn the meeting at 9:03 a.m. Motion seconded by Jim Brennan. All in favor. Motion passed.

Minutes submitted by Lori Kearney.
Attest,
Lori Kearney