A regular meeting of the Town of West Hartford Pension Board was held on Monday, May 12, 2025 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 Al Lebow, Perry Salonia, and John Mohring (phone).

Participants/Guests: Rick Ledwith (Town Manager); Lori Kearney (Human Resources Specialist); Lexi Davidoff (Personnel Analyst); Chris Kachmar, (Fiducient Advisors).

Absent: Lisa Newton (Acting Finance Director) and Mayor Shari Cantor

II. Lazaro Guzman, Chair

Chair Guzman welcomed attendees and announced the resignation of Board Member Jim Brennan, effective May 12, 2025, due to new employment outside of the Town of West Hartford. The Pension Board is seeking a new member who is both an employee of the Town of West Hartford and a registered voter in the Town of West Hartford.

III. Chris Kachmar, Fiducient Advisors

1. **Governance Review**
   - The Investment Policy Statement on page 9 remains in good order; the only update was an increase in fixed income from 30% to 35% reflected in the IPS at the back of the booklet.
   - On page 11, Chris confirmed the governance standards are being upheld.
   - The Pension Board must annually reaffirm or revise its investment policy.

   Motion by Chair Guzman to reaffirm the investment policy. Seconded by Perry Salonia. All in favor. Motion passed.

2. **Asset Allocation**
   - The table on page 49 can be modified "as necessary."

3. **Q1 2025 Market Overview**

   Overall market conditions have steadied.

   - GDP declined by 3/10 of 1%. Influencing factors include tariffs, inflation, and global headlines (page 13).
   - International equities outperformed U.S markets (page 14).
   - U.S. large-cap stocks fell 4.5% small-cap 9.5% while core fixed income rose 2.8% (page 15).

4. **Portfolio Performance:**
   - The Portfolio slightly trailed benchmark by 6/10 of 1% in Q1 (page 24).
   - The 1-year return was 5.6%, equating to an approximate $30 million investment gain of the end of March. Total invested assets are approximately $563 million.

5. **Real Estate Allocation (Page 26)**
   - Current allocation is 2.96%, target: 5% (page 26).
   - Plan to have 2-1/2 to 3% would be in Barings and the part to TA Realty.
   - Barings distributed $817,000 in Q1 (April 14).
   - $5 million will go to TA Realty in the next available window (July 1).
   - Chris suggested inviting Real Estate Analyst Matt Smith to the September meeting to review real estate ion strategy.

6. **Hedged vs. Non-Hedged Allocation in Acadian**
   - Performance data shows hedged format has outperformed over longer periods but underperformed YTD.
   - Current allocation: 25% hedged (Acadian), 75% unhedged (Causeway and Vanguard).

Motion by Alan Lebow to convert to non-hedged—*no second received.*

7. **Manager Performance**

   Pension Blended Benchmark – Target return shows 6.25%. The Target rate of return should be the Actuarial rate of return of 6.5%

8. **Benchmark Adjustments**
   Suggestion to add S&P 500 and remove small-cap benchmark in fall.

9. **Pension Reserve Fund**
   - Valued at $17 million as of March-end.
   - Managed by two short-term fixed income accounts in a 50/50 allocation.
   - 3-year return: 4.5% vs. benchmark of 3.9%.

10. **OPEB Trust**
   - Combined pre- and post-65 pools total just under $8 million.
   - Invested equally in Vanguard Star Fund and T. Rowe Price Balanced Fund.
   - The Pension Board does not manage this trust.

IV. Lori Kearney, Human Resources Specialist

Meeting calendar for 2025

1. Discussion of the dates of the three remaining meetings in 2025.
   The next meeting will be September 15, 2025.
   - **There will be a "special" meeting on October 14, 2025, because it was not on the official annual calendar. The Pension Board will follow the regular meeting agenda.**
   - **The November meeting will be November 17, 2025.**

2. Summary of Formal Actions.

V. Formal Actions

A. Minutes

The Board requested an Amendment to the March 10, 2025 meeting minutes.
Regarding Item III, 2: On November 18, 2024, the Board approved an investment of 1% or $5 million to TA Realty. It is to be noted that TA Realty has not replaced Baring Core Property Fund. TA Realty will complement Barings Core Property Fund.

Motion by Chair Guzman to approve the Minutes of the March 10, 2025 meeting, pending the change. Second by Alan Lebow. All in favor. Motion passed.

B. Pension Administration

1. Memberships

    BOE – Tara Baker, Elvira Elezi, Sam Elmazi, Grisel, Flores, Olivia Gaglioti, Leticia Garcia-Perez, Madison Hill, Tara Rafferty, Tracy Tran, Andon Vasili

    Town – Regan Bissoni, Timothy Boyle, Patrick Foran

    Note: Two members were hired in February 2024 and completed the enrollment process, but were not reported until now.

2. Withdrawals and Terminations

    BOE – Lauren Corneau, Demille Montalvo, Sara O'Brien, Seyenah Soto, Margaret Stuck, Allison Vann, Valerie Villanueva

    Town – Shauna Dempsey, Susie Kulas, Alexis Marcelo

3. Applications for approval

    Normal retirements

    BOE – Helene Leder, Jennifer Nejfelt

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

C. Invoices for consideration

1. Milliman

    Invoice for GASB 67/68 as of 6/30/2024 and consulting services for special situations in the amount of $6,507.50. Invoice date 9/30/2024.

2. Milliman

    Invoice for actuarial services for calculation of service rates for buyback calculations and assistance with plan amendments, in the amount of $2,757.50. Invoice date 12/24/2024.

3. Milliman

    Invoice for MARC monthly license fee and administration fee for March 2025, in the amount of $4,075.50. Invoice date 3/15/2025.

4. Milliman

    Invoice for actuarial services for 7/1/2024 pension annual valuation and special services assistance with calculations for retiree's beneficiaries in the amount of $1,730.00. Invoice date 3/21/2025.

5. Fiducient Advisors
   Invoice for Town of West Hartford Pension consulting cost for billing period ending March 31, 2025 in the amount of $18,025.00. Invoice date 3/10/2025

6. Pension Benefit Information (PBI)
   Invoice for Research Center credits purchased in the amount of $25.00. Invoice date 2/28/2025.

- Discussion regarding the invoice for special services from Milliman for buyback calculations. Milliman did a review of the buyback rates that we use for calculations and provided the rates based on our latest valuation. Lori confirmed that we are still doing the buyback calculations ourselves and Milliman does not review our calculations. Further discussion and analysis will be included in the agenda for the September Pension Board meeting.

- Explanation of the implementation fees included on the $4,075.50 invoice from Milliman. Lori inquired from Milliman why there was still implementation fees. Milliman explained that the implementation fees are spread out over 24 months and there were two months remaining of the 24 months - the February and March. The implementation fee should not be on the April invoice. The April invoice should only include the licensing fee.

- Explanation of the $1,730.00 invoice from Milliman for the assistance with calculating beneficiaries' benefits. In this case, the retiree elected a 10-year certain benefit, then the primary beneficiary due to collect his benefit died before receiving his annuity benefit. Milliman assisted with the calculation of the split annuity for the daughters.

Motion by Chair Guzman to approve all invoices under consideration. Second by Alan Lebow. All in favor. Motion passed.

VI. New Business

VII. Adjournment

Motion by Chair Guzman to adjourn the meeting at 9:00 a.m. Seconded by Alan Lebow. All in favor. Motion passed.

Minutes submitted by Lexi Davidoff.
Attest,

Lexi Davidoff