

**MEETING OF THE GENERAL  
GOVERNMENT RETIREMENT BOARD**

**June 11, 2020**

A Regular meeting of the General Government Retirement Board was held via WebEx on **June 11, 2020 at 5:00 p.m.** in the City Council Chambers at City Hall, Bristol, CT. Members present: Chairman Thomas Barnes, Jr., Vice Chairman David Preleski, Mayor Ellen Zoppo-Sassu arriving at 5:13 p.m./leaving at 6:00 p.m. Comptroller Diane M. Waldron, Commissioners, David Butkus, Peter Dauphinais leaving at 6:15 p.m., Thomas DeNoto, Paul Keegan, Karl Pacelle participated via WebEx, Rose Parenti, William Veits.

**1. Call to Order.**

The meeting was called to order at 5:00 p.m by Chairman Tom Barnes, Jr.

**2. Item 3 - Minutes for the Regular meeting of May 14, 2020 were approved.**

A motion was made by Commissioner Veits and seconded by Commissioner Parenti and it was unanimously voted to:

"Approve the minutes of the General Government Retirement Board meeting of May 14, 2020 and place on file."

**3. Item 4 -Treasurer's report May 2020.**

A motion was made by Vice Chairman Preleski and seconded by Commissioner Parenti and it was unanimously voted to:

"Accept the Treasurer's report for May and place it on file."

**4. Item 5 – Authorization for the Comptroller or Acting Comptroller to sign any and all Class Action Litigation claim documents for recovery settlements.**

A motion was made by Commissioner Veits and seconded by Commissioner Butkus and after explanation by Comptroller Waldron it was unanimously voted to:

"Authorize the Comptroller or Acting Comptroller to sign any and all Class Action Litigation claim documents for recovery settlements."

**5. Item 6 – Review of July 1, 2019 Actuarial Valuation – Rebecca Sielman, Milliman.**

Ms. Sielman reviewed the report and pointed the Board to the Executive Summary which highlights the results of the report in a very easy to read format. She noted that there were 2 changes in assumptions from the previous report. From the 2016 Experience Study the phase in of the reduction in the rate of return assumption was lowered from 7.3% to 7.2% and there is a continued phase in of the generational mortality projection table from Scale AA to Scale BB. The effect of these changes increased the Accrued Liability by \$7.7 million. In addition there were some plan changes in employee contributions that had a nominal effect on the Accrued Liability and increased the Net Normal Cost by \$0.4 million. The fund is currently at a 138.8% funded ratio and it is expected, should the City achieve all actuarial assumptions and no plan design changes, the City would not have to make a contribution for the next 20 years.

Commissioner DeNoto raised concerns about volatility in the market that even within the last six months could make that ten year projection occur much sooner.

Vice Chairman Preleski asked about the Mortality Assumptions.

Comptroller Waldron raised concerns that the investment rate of return should also be looked at since the City has not achieved 7% in several years.

In response to these concerns, Ms. Sielman did review with the Board that the City is not yet using the new mortality tables specific to public employees and government plans. Most of her clients are using the new tables but since the City is in the middle of phasing in the recommendations from the last experience study it has not been evaluated whether to change the course.

There was a subsequent discussion on the rate of return and Ms. Sielman did point out the historical returns on page 4 of their report that ranges from -1.74% to 12.10% on a market value basis and 4.52%-6.16% on an actuarial basis, which takes into account smoothing of market gains/losses over 4 years. The average over the 5 years is 4.8% on a market value basis and 5.1 on an actuarial basis. Ms. Sielman did point out that the GASB 68 valuation for the audit does project the long term expected return on the assets of 6.35% based on the current asset allocation. A change in the ROR assumption to this level would have a significant impact on the funded ratio of the plan.

While the next experience study is scheduled for 2020, there is concern with the recent market volatility and where the June 30, 2020 market values will end up. Ms. Sielman suggested that before they start completing the July 1, 2020 valuation that Milliman evaluate the effect a more reasonable rate of return assumption and the new mortality tables would have on the liabilities and funded ratio of the plan using the June 30, 2020 market value of the assets. This could be presented to the Board to evaluate whether to implement different assumptions for July 1, 2020. The Board was in agreement with this approach.

**6. Item 7 - Monthly Investment Review by Mr. John Beirne of Beirne Wealth Consulting, LLC.**

Mr. Beirne spoke to the Board via phone conference. Mr. Beirne mentioned a fairly heavy reliance on large cap growth. With the volatility of the current market Beirne will try to take advantage of that.

John Oliver provided an overview of the current market. The portfolio was at approximately 8% cash and is now at 4.5%. He explained some cash from the portfolio went into value funds. The May YTD report value's are down except for large cap growth.

**7. Item 8 - Adjournment.**

At 6:27 p.m. a motion was made by Commissioner Keegan and seconded by Vice Chairman Preleski and it was unanimously voted to: "Adjourn."



Diane M. Waldron  
Comptroller and Secretary, Retirement Board