

**METROPOLITAN DISTRICT COMMISSION
SPECIAL MEETING
PERSONNEL, PENSION & INSURANCE COMMITTEE
MONDAY, APRIL 2, 2018
5:00 P.M.**

Location

Board Room
District Headquarters
555 Main Street, Hartford

Commissioners

Camilliere	Marotta
Currey	Pane
DiBella (Ex-Officio)	Patel
Fitzgerald	Salemi
Kowalyszyn	Sweezy (VC)
Lester	Taylor (C)
Magnan	

Quorum: 7

- 1. CALL TO ORDER**
- 2. PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS**
- 3. APPROVAL OF MEETING MINUTES OF MARCH 12, 2018**
- 4. CONSIDERATION AND POTENTIAL ACTION RE: DAHAB INVESTMENT POLICY CHANGES FOR 2018**
- 5. OPPORTUNITY FOR GENERAL PUBLIC COMMENTS**
- 6. ADJOURNMENT**

**PENSION PLAN INVESTMENT POLICY MODIFICATIONS
MODIFICATION TO ASSET CLASS AND TARGET ASSET PERCENTAGES
FOR THE DISTRICT'S PENSION PLAN**

To: Personnel, Pension and Insurance Committee for Consideration on April 2, 2018

The District's financial advisor, DAHAB Associates, has proposed a revised target asset class distribution for the District's Pension Plan investments to the Pension investment Subcommittee. The revised target asset class distribution reflects a re-allocation of 5.0% from Fixed Income asset class to the International Equity asset class. This change to the pension plan investment policy is recommended to improve the pension plan's mix of asset classes to enhance performance while maintaining the overall risk of the plan and is supported by the Pension Investment Subcommittee.

These proposed modifications are important for the Pension Plan's long-term investment performance and incorporate the following recommendations from DAHAB Associates:

A. Asset Target %

	Current Targets	Proposed Targets
Domestic Equity		
- Large Cap	30.0%	30.0%
- Mid Cap	10.0%	10.0%
- Small Cap	10.0%	10.0%
International Equity	10.0%	15.0%
Emerging Markets	0.0%	0.0%
Fixed Income		
-Global Fixed	12.5%	12.5%
-Broad Fixed (Aetna)	15.0%	10.0%
Real Estate	7.5%	7.5%
Timber	5.0%	5.0%
Cash & Equivalents		
-Aetna Cash Acct	3.0%	0.0%

B. Asset Allocation Range %

	Current Alloc %	Proposed Alloc %
Domestic Equity		
- Large Cap	22.0% to 38.0%	22.0% to 38.0%
- Mid Cap	7.0% to 13.0%	7.0% to 13.0%
- Small Cap	7.0% to 13.0%	7.0% to 13.0%
International Equity	7.0% to 13.0%	12.0% to 18.0%
Emerging Markets	0.0%	0.0%
Fixed Income		
-Global Fixed	9.5% to 15.5%	9.5% to 15.5%
-Broad Fixed (Aetna)	12.0% to 18.0%	7.0% to 13.0%
Real Estate	4.0% to 11.0%	4.0% to 11.0%
Timber	2.0% to 8.0%	2.0% to 8.0%
Cash & Equivalents		
-Aetna Cash Acct	0.0% to 15.0%	0.0% to 15.0%

DAHAB Associates is also recommending that an additional investment manager be appointed for the International Equity asset classes once the new asset class and revised target allocation percentages for the pension plan are approved.

DAHAB Associates, following direction from the Pension Investment Subcommittee and with the assistance of staff, issued a Request for Proposals (RFP) for an International Equity investment manager, in addition to the existing International Equity investment manager. Following an initial screening of the responses, a list of qualified investment managers was presented to the Pension Investment Subcommittee for review and final selection of the second investment manager for the International Equity investment class.

Based on the foregoing, it is recommended that it be:

RESOLVED: That Personnel, Pension and Insurance Committee through the District Board adopt the following Asset Target Percentages and Asset Allocation Percentage Ranges.

RESOLVED: That Personnel, Pension and Insurance Committee adopt the recommendation of the Pension Investment Subcommittee and authorize District Staff to enter into an agreement with Hardman Johnston Global Advisors, as International Equity investment Manager for up to

50% of the International Equity asset class allocation (up to 7.5% of pension plan assets).

Respectfully submitted,

A handwritten signature in black ink that reads "John Mirtle". The signature is written in a cursive style with a large initial "J" and "M".

John S. Mirtle, Esq.
District Clerk