

**PERSONNEL, PENSION AND INSURANCE COMMITTEE  
SPECIAL MEETING**

**The Metropolitan District**

555 Main Street, Hartford

Monday, April 2, 2018

**Present:** Commissioners Donald Currey, Timothy J. Fitzgerald, Maureen Magnan, Alphonse Marotta, Domenic Pane, Bhupen Patel, Pasquale J. Salemi, Raymond Sweezy, Alvin Taylor and District Chairman William A. DiBella (10)

**Absent:** Commissioners Daniel Camilliere, Kathleen Kowalshyn and Byron Lester (3)

**Also**

**Present:** Commissioner Denise Hall  
Commissioner Allen Hoffman  
Commissioner David Ionno  
Commissioner Whit Osgood  
Scott W. Jellison, Chief Executive Officer  
John M. Zinzarella, Deputy Chief Executive Officer, Business Services  
R. Bartley Halloran, District Counsel  
Christopher Stone, Assistant District Counsel  
John S. Mirtle, District Clerk  
Robert Constable, Director of Finance  
Christopher Levesque, Director of Operations  
Sue Negrelli, Director of Engineering  
Robert Schwarm, Director of Information Technology  
Kelly Shane, Director of Procurement  
Tom Tyler, Director of Facilities  
Robert Zaik, Director of Human Resources  
Kerry E. Martin, Assistant to the Chief Executive Officer  
Carrie Blardo, Assistant to the Chief Operating Officer  
Victoria S. Escoriza, Executive Assistant  
David Silverstone, Consumer Advocate

**CALL TO ORDER**

Chairman Taylor called the meeting to order at 5:00 PM

**PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS**

No one from the public appeared to be heard.

**APPROVAL OF MEETING MINUTES**

*On motion made by Commissioner Sweezy and duly seconded, the meeting minutes of March 12, 2018 were approved.*

**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	<b>10.0%</b>	<b>15.0%</b>
Emerging Markets	0.0%	0.0%
Fixed Income		
-Global Fixed	12.5%	12.5%
-Broad Fixed (Aetna)	<b>15.0%</b>	<b>10.0%</b>
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 <u>Alloc %</u>	Proposed <u>Alloc %</u>
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	<b>7.0% to 13.0%</b>	<b>12.0% to 18.0%</b>
Emerging Markets	0.0%	0.0%
Fixed Income		
-Global Fixed	9.5% to 15.5%	9.5% to 15.5%
-Broad Fixed (Aetna)	<b>12.0% to 18.0%</b>	<b>7.0% to 13.0%</b>
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,

John S. Mirtle, Esq.  
District Clerk

*On motion made by Commissioner Sweezy and duly seconded, the report was received and resolution adopted by unanimous vote of those present.*

**OPPORTUNITY FOR GENERAL PUBLIC COMMENTS**

No one from the public appeared to be heard.

**ADJOURNMENT**

The meeting was adjourned at 5:03 PM

ATTEST:

John S. Mirtle, Esq.  
District Clerk

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Date Approved