

**JOURNAL
OF
THE PERSONNEL, PENSION & INSURANCE COMMITTEE
OF
THE METROPOLITAN DISTRICT
COMMISSION**

**FOR THE YEAR
2020**

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Membership of the District is made up of the City of Hartford and
The Towns of Bloomfield, Newington, Wethersfield, Windsor,
East Hartford, Rocky Hill and West Hartford

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**MEMBERSHIP
OF
THE PERSONNEL, PENSION & INSURANCE COMMITTEE
2020**

ALVIN E. TAYLOR Chairman, Personnel, Pension and Insurance Committee
RAYMOND SWEZY Vice Chairman, Personnel, Pension and Insurance Committee

DANIEL CAMILLIERE	DOMINIC PANE
DONALD CURREY	BHUPEN PATEL
BYRON LESTER	PASQUALE J. SALEMI
MAUREEN MAGNAN	RAYMOND SWEZY
ALPHONSE MAROTTA	ALVIN E. TAYLOR

MINUTES

OF

MEETINGS OF THE PERSONNEL, PENSION & INSURANCE COMMITTEE

HELD IN 2020

PERSONNEL, PENSION AND INSURANCE COMMITTEE**The Metropolitan District**

555 Main Street, Hartford

Wednesday, January 15, 2020

Present: Commissioners Donald Currey, Byron Lester, Maureen Magnan, Alphonse Marotta, Domenic Pane, Raymond Sweezy, Alvin Taylor and District Chairman William A. DiBella (8)

Absent: Commissioner Daniel Camilliere, Bhupen Patel and Pasquale J. Salemi (3)

Also

Present: Commissioner Allen Hoffman
Commissioner Gary LeBeau
Commissioner Jacqueline Mandyck
Scott W. Jellison, Chief Executive Officer
Christopher Martin, Chief Financial Officer
Christopher Stone, Assistant District Counsel
Brendan Fox, Assistant District Counsel
John S. Mirtle, District Clerk
Christopher Levesque, Chief Operating Officer
Kelly Shane, Chief Administrative Officer
Sue Negrelli, Director of Engineering
Robert Schwarm, Director of Information Technology
Tom Tyler, Director of Facilities
Jennifer Ottalagana, Senior Project Manager
Carrie Blardo, Assistant to the Chief Operating Officer
Kerry E. Martin, Assistant to the Chief Executive Officer
Victoria S. Escoriza, Executive Assistant
David Silverstone, Independent Consumer Advocate

CALL TO ORDER

Assistant District Counsel Christopher R. Stone called the meeting to order at 5:17 PM

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

No one from the public appeared to be heard.

ELECTION OF CHAIRPERSON

Assistant District Counsel Christopher R. Stone called for the election of the Chairperson. Commissioner Sweezy placed Commissioner Alvin Taylor's name in nomination, the nomination was duly seconded.

There being no further nominations, the nominations were closed. Commissioner Taylor was elected Chairperson of the Personnel, Pension and Insurance Committee for 2020 and 2021. Chairperson Taylor assumed the Chair and thanked the Personnel, Pension and Insurance Committee.

ELECTION OF VICE CHAIRMAN

Chairman Taylor called for the election of the Vice Chairperson. Commissioner Pane placed Commissioner Raymond Sweezy's name in nomination and the nomination was duly seconded.

There being no further nominations, the nominations were closed. Commissioner Raymond Sweezy was elected Vice Chairperson of the Personnel, Pension and Insurance Committee for 2020 and 2021.

PUBLIC COMMENTS RELATIVE TO AGENDAS ITEMS

David Silverstone, Independent Consumer Advocate, spoke in favor of the Pension Plan Amendment for One-Time Retiree payments.

APPROVAL OF MEETING MINUTES

On motion made by Commissioner Sweezy and duly seconded, the meeting minutes of November 18, 2019 were approved.

PENSION PLAN AMENDMENT ONE-TIME RETIREE PAYMENT

To: Personnel, Pension and Insurance Committee for consideration on January 15, 2020

WHEREAS, The Metropolitan District (the "MDC") is the sponsor of the Retirement Plan for Employees of The Metropolitan District (the "Retirement Plan"); and

WHEREAS, the District Board of the MDC has the authority to adopt amendments to the Retirement Plan upon the recommendation of the Personnel, Pension and Insurance Committee of the MDC (the "PPI Committee"); and

WHEREAS, it is desirable that the PPI Committee recommend to the District Board of the MDC that it adopt an amendment to the Retirement Plan which provides for one-time lump sum cash payments to certain retired participants who are currently receiving annuity payments from the Retirement Plan.

NOW, THEREFORE, BE IT

RESOLVED: That the PPI Committee does hereby recommend to the District Board that it adopt Amendment No. 11 to the Retirement Plan in substantially the form presented to this meeting, together with any modifications that are determined by counsel for the MDC to be necessary or desirable to effectuate the intention thereof and to comply with the requirements of the Internal Revenue Code of 1986, as amended; and further

RESOLVED: That the chief executive officer of the MDC or any other officer designated by the chief executive officer be, and each of them hereby is, authorized and empowered, for and on behalf of the MDC, to take any and all actions which may be necessary or desirable to effectuate the intention of the foregoing resolution.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

**AMENDMENT NO. 11 TO THE
RETIREMENT PLAN FOR EMPLOYEES OF
THE METROPOLITAN DISTRICT**

The Metropolitan District, a governmental entity organized under the laws of the State of Connecticut has adopted this Amendment No. 11 to the Retirement Plan for Employees of The Metropolitan District (the "Plan"), said Amendment No. 11 to be effective, January 1, 2020:

1. The Plan shall be amended by adding thereto the following Appendix D;

"2020 ONE-TIME PAYMENTS - APPENDIX D

Section D.1. A Retired Participant who is receiving annuity payments from the Plan in January 2020 pursuant to which his or her total, monthly gross payments are less than \$1,500 shall receive a one-time lump sum cash payment equal to \$1,000, provided that he or she first became a Retired Participant prior to January 1, 1999.

Section D.2. Each one-time lump sum cash payment that is to be made under this Appendix D shall be distributed to the appropriate Retired Participant no later than March 1, 2020. When determining whether a Retired Participant is receiving annuity payments from the Plan for purposes of this Appendix D, payments under any form of annuity permitted under the Plan shall be recognized. A lump sum payment shall be made to a Retired Participant under this Appendix D irrespective of an annuity form of payment being in effect with respect to his or her Plan benefit."

Witness

THE METROPOLITAN DISTRICT

By _____
Title: _____
Date: _____

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

CLOSING COST FOR SALE OF GLASTONBURY LAND

Commissioner Sweezy made a motion to remove James P. Sandler as manager of Pension Fund Land, LLC and appoint Chief Executive Officer Scott Jellison, or his designee, as the manager.

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

Commissioner Sweezy made a motion to direct staff to obtain an appraisal of the land owned in Manchester, Connecticut as soon as possible.

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

Commissioner Sweezy made a motion to suspend all fees associated with the Pension Fund Land with the exception of taxes and insurance.

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

Without objection, agenda #9 re: Disability Retirement, was moved prior to agenda #8 re: "Appointment of District Counsel"

PETITION FOR DISABILITY RETIREMENT

To: Personnel, Pension and Insurance Committee for consideration on January 15, 2020

Pursuant to Section G 1 b. of the General Ordinances, we are recommending that the Personnel, Pension and Insurance Committee approve a

Disability Retirement effective February 1, 2020, for Mr. Alejandro Vera. We have received the employee's written petition for consideration under the Disability Retirement provision. The employee's doctors have provided adequate medical information to support the condition that the employee is permanently disabled and cannot engage in any gainful occupation or employment. The medical condition was confirmed by the District's doctor.

A thorough review of this petition was conducted prior to advancing this recommendation for action.

Therefore, staff is recommending that the employee's petition for disability retirement be approved by this Committee.

It is therefore **RECOMMENDED** that it be:

VOTED: That the Personnel Pension and Insurance Committee recommend to the District Board passage of the following resolution:

RESOLVED: That effective February 1, 2020, Mr. Alejandro Vera shall be approved for a Disability Retirement pursuant to the terms and conditions of the General Ordinances of the Metropolitan District Commission.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

APPOINTMENT OF DISTRICT COUNSEL

At 5:57 PM, Chairperson Taylor requested an executive session to discuss the Appointment of District Counsel.

On motion made by Commissioner Magnan and duly seconded, the Personnel, Pension and Insurance Committee entered into executive session to discuss the appointment of District Counsel.

Those in attendance during the executive session: Commissioners Donald Currey, Byron Lester, Maureen Magnan, Alphonse Marotta, Domenic Pane, Raymond Sweezy, Alvin Taylor and District Chairman William A. DiBella

RECONVENE

At 6:25 PM, on motion made by Commissioner Magnan and duly seconded, the Personnel, Pension and Investment Committee came out of executive session and reconvened.

To: Personnel, Pension and Insurance Committee for consideration on January 15, 2020.

Be it resolved that Christopher R. Stone be appointed as District Counsel with Assistant District Counsel Steven Bonafonte negotiating contract terms on behalf of the MDC.

Respectfully Submitted,

Scott W. Jellison
Chief Executive Officer

On a motion made by Commissioner Sweezy and duly seconded, the resolution was 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 6:25 PM

ATTEST:


John S. Mirtle, Esq.
District Clerk

February 13, 2020

Date Approved

**PERSONNEL, PENSION AND INSURANCE COMMITTEE
SPECIAL MEETING
The Metropolitan District
555 Main Street, Hartford
Thursday, February 13, 2020**

Present: Commissioners Donald Currey, Byron Lester, Maureen Magnan, Alphonse Marotta, Domenic Pane, Raymond Sweezy, Alvin Taylor and District Chairman William A. DiBella (8)

Absent: Commissioner Daniel Camilliere, Bhupen Patel and Pasquale J. Salemi (3)

Also

Present: Commissioner Denise Hall
Christopher Martin, Chief Financial Officer
Christopher Stone, Assistant District Counsel
Steve Bonafonte, Assistant District Counsel
John S. Mirtle, District Clerk
Christopher Levesque, Chief Operating Officer
Sue Negrelli, Director of Engineering
Tom Tyler, Director of Facilities
Robert Zaik, Director of Human Resources
Carrie Blardo, Assistant to the Chief Operating Officer
Victoria S. Escoriza, Executive Assistant

CALL TO ORDER

Chairman Taylor called the meeting to order at 12:00 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 Pane and duly seconded,
the meeting minutes of January 15, 2020 were approved.*

EXECUTIVE SESSION

At 12:04 PM, Chairperson Taylor requested an executive session to discuss the appointment of District Counsel.

On motion made by Commissioner Currey and duly seconded, the Personnel, Pension and Insurance Committee entered into executive session to discuss the appointment of District Counsel.

Those in attendance during the executive session: Donald Currey, Byron Lester, Maureen Magnan, Alphonse Marotta, Domenic Pane, Raymond Sweezy, Alvin Taylor and District Chairman William A. DiBella and Assistant District Counsel Steve Bonafonte.

RECONVENE

At 1:10 PM, on motion made by Commissioner Sweezy and duly seconded, the Personnel, Pension and Investment Committee came out of executive session and reconvened. No formal action was taken.

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

No one from the public appeared to be heard.

COMMISSIONER QUESTIONS AND COMMENTS

Commissioner Sweezy requested that an additional meeting be held on February 19th to further discuss the appointment of District Counsel.

Commissioner Pane requested to add retiree payments to the agenda on February 19th, and to have an additional meeting to discuss the impact of employee reduction and retirements on the pension.

ADJOURNMENT

The meeting was adjourned at 1:15 PM

ATTEST:


John S. Mirtle, Esq.
District Clerk

February 19, 2020

Date Approved

**PERSONNEL, PENSION AND INSURANCE COMMITTEE
SPECIAL MEETING
The Metropolitan District
555 Main Street, Hartford
Wednesday, February 19, 2020**

Present: Commissioners Daniel Camilliere, Donald Currey, Maureen Magnan, Alphonse Marotta, Domenic Pane, Pasquale J. Salemi, Raymond Sweezy, Alvin Taylor and District Chairman William A. DiBella (9)

Absent: Commissioner Byron Lester and Bhupen Patel (2)

Also Present: Commissioner Allen Hoffman
Scott W. Jellison, Chief Executive Officer
Christopher Martin, Chief Financial Officer
Christopher Stone, Assistant District Counsel
John S. Mirtle, District Clerk
Christopher Martin, Chief Financial Officer
Christopher Levesque, Chief Operating Officer
Kelly Shane, Chief Administrative Officer
Sue Negrelli, Director of Engineering
Robert Schwarm, Director of Information Technology
Tom Tyler, Director of Facilities
Carrie Blardo, Assistant to the Chief Operating Officer
Julie Price, Professional Level Trainee

CALL TO ORDER

Chairman Taylor called the meeting to order at 3:01 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 Currey and duly seconded,
the meeting minutes of February 13, 2020 were approved.*

APPOINTMENT OF DISTRICT COUNSEL**EXECUTIVE SESSION**

At 3:04 PM, Chairperson Taylor requested an executive session to discuss the appointment of District Counsel.

On motion made by Commissioner Currey and duly seconded, the Personnel, Pension and Insurance Committee entered into executive session to discuss the appointment of District Counsel.

Those in attendance during the executive session: Daniel Camilliere, Donald Currey, Maureen Magnan, Alphonse Marotta, Domenic Pane, Pasquale J. Salemi, Raymond Sweezy, Alvin Taylor and District Chairman William A. DiBella and Assistant District Counsel Christopher Stone.

RECONVENE

At 4:14 PM, on motion made by Commissioner Sweezy and duly seconded, the Personnel, Pension and Investment Committee came out of executive session and reconvened. No formal action was taken.

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

No one from the public appeared to be heard.

ADJOURNMENT

The meeting was adjourned at 4:15 PM

ATTEST:


John S. Mirtle, Esq.
District Clerk

July 7, 2020

Date Approved

**PERSONNEL, PENSION AND INSURANCE COMMITTEE
SPECIAL MEETING
The Metropolitan District
555 Main Street, Hartford
Wednesday, February 19, 2020**

Present: Commissioners Daniel Camilliere, Donald Currey, Maureen Magnan, Alphonse Marotta, Domenic Pane, Pasquale J. Salemi, Raymond Sweezy, Alvin Taylor and District Chairman William A. DiBella (9)

Absent: Commissioner Byron Lester and Bhupen Patel (2)

Also Present: Commissioner Allen Hoffman
Scott W. Jellison, Chief Executive Officer
Christopher Martin, Chief Financial Officer
Christopher Stone, Assistant District Counsel
Steve Bonafonte, Assistant District Counsel
John S. Mirtle, District Clerk
Christopher Martin, Chief Financial Officer
Christopher Levesque, Chief Operating Officer
Kelly Shane, Chief Administrative Officer
Sue Negrelli, Director of Engineering
Robert Schwarm, Director of Information Technology
Tom Tyler, Director of Facilities
Robert Zaik, Director of Human Resources
Jamie Harlow, Manager of Labor Relations
Carrie Blardo, Assistant to the Chief Operating Officer
Victoria Escoriza, Executive Assistant

CALL TO ORDER

Chairman Taylor called the meeting to order at 4:15 PM

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

No one from the public appeared to be heard.

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

No one from the public appeared to be heard.

PETITION FOR DISABILITY RETIREMENT**EXECUTIVE SESSION**

At 4:19 PM, Chairperson Taylor requested an executive session to discuss a petition for disability retirement.

On motion made by Commissioner Currey and duly seconded, the Personnel, Pension and Insurance Committee entered into executive session to discuss a petition for disability retirement.

Those in attendance during the executive session: Daniel Camilliere, Donald Currey, Maureen Magnan, Alphonse Marotta, Domenic Pane, Pasquale J. Salemi, Raymond Sweezy, Alvin Taylor and District Chairman William A. DiBella and Attorneys Christopher Stone and John S. Mirtle, Director of Human Resources Robert Zaik, Manager of Labor Relations Jamie Harlow.

RECONVENE

At 4:33 PM, on motion made by Commissioner Sweezy and duly seconded, the Personnel, Pension and Investment Committee came out of executive session and reconvened. No formal action was taken.

To: Personnel, Pension and Insurance Committee for consideration on February 19, 2020

Pursuant to Section G 1 b. of the General Ordinances, we are recommending that the Personnel, Pension and Insurance Committee approve a Disability Retirement effective December 1, 2019, for Ms. Kathy A. Triggs. We have received the employee's written petition for consideration under the Disability Retirement provision. The employee's doctors have provided adequate medical information to support the condition that the employee is permanently disabled and cannot engage in any gainful occupation or employment.

A thorough review of this petition was conducted prior to advancing this recommendation for action.

The "General Ordinances" provides that disability retirement requests be confirmed against the following definition:

.....has become permanently disabled from engaging in any gainful occupation or employment.....

To conform to this definition, Staff is hereby directed to take the appropriate actions with all individuals approved for disability retirements to periodically confirm the continuing adherence to the definition which may include requests for tax reports and/or medical status reports.

Therefore, staff is recommending that the employee's petition for disability retirement be approved by this Committee.

It is therefore **RECOMMENDED** that it be:

VOTED: That the Personnel Pension and Insurance Committee recommend to the District Board passage of the following resolution:

RESOLVED: That effective December 1, 2019, Ms. Kathy A. Triggs shall be approved for a Disability Retirement pursuant to the terms and conditions of the General Ordinances of the Metropolitan District Commission.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

On a motion made by Commissioner Currey and duly seconded, the resolution was adopted by unanimous vote of those present.

DISCUSSION RE: ONE-TIME RETIREE PAYOUTS

Commissioner Pane asked the committee to consider additional payments to additional retirees and asked staff to report back with figures at the next meeting.

Commissioner Currey suggested that the Personnel, Pension and Insurance Committee establish a policy to review retiree benefits every two years.

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

No one from the public appeared to be heard.

COMMISSIONER QUESTIONS AND COMMENTS

Commissioner Sweezy asked staff about the status of the retiree life insurance buyout that was approved by the Personnel, Pension and Insurance Committee and the District Board in October 2019.

ADJOURNMENT

The meeting was adjourned at 4:45 PM

ATTEST:



John S. Mirtle, Esq.
District Clerk

July 7, 2020

Date Approved

**PERSONNEL, PENSION AND INSURANCE COMMITTEE
INVESTMENT SUBCOMMITTEE
SPECIAL MEETING
The Metropolitan District
555 Main Street, Hartford
Friday, February 28, 2020**

Present: Commissioners Domenic Pane, Raymond Sweezy and Alvin Taylor (3)

Absent: Commissioner Daniel Camilliere, Maureen Magnan and District Chairman William DiBella (3)

Also

Present: Commissioner Donald Currey
Commissioner Allen Hoffman
Commissioner Byron Lester
Christopher Stone, Assistant District Counsel
John S. Mirtle, District Clerk
Christopher Martin, Chief Financial Officer
Sue Negrelli, Director of Engineering
Robert Schwarm, Director of Information Technology
Tom Tyler, Director of Facilities
Jamie Harlow, Manager of Labor Relations
Diana Phay, Cash Management Analyst
Julie Price, Professional Level Trainee
David Lee, Dahab Associates, Inc.

CALL TO ORDER

Attorney Stone called the meeting to order at 12:00 PM

ELECTION OF CHAIRPERSON

Assistant District Counsel Christopher R. Stone called for the election of the Chairperson. Commissioner Pane placed Commissioner Raymond Sweezy's name in nomination, the nomination was duly seconded.

There being no further nominations, the nominations were closed. Commissioner Sweezy was elected Chairperson of the Personnel, Pension and Insurance Investment Subcommittee for 2020 and 2021. Chairperson Sweezy assumed the Chair and thanked the Personnel, Pension and Insurance Investment Subcommittee.

ELECTION OF VICE CHAIRMAN

Chairman Sweezy called for the election of the Vice Chairperson. Commissioner Pane placed Commissioner Alvin Taylor's name in nomination and the nomination was duly seconded.

There being no further nominations, the nominations were closed. Commissioner Alvin Taylor was elected Vice Chairperson of the Personnel, Pension and Insurance Investment Subcommittee for 2020 and 2021.

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

No one from the public appeared to be heard.

APPROVAL OF MEETING MINUTES

On motion made by Commissioner Taylor and duly seconded, the meeting minutes of June 14, 2019 were approved.

DISCUSSION RE: PENSION PLAN INVESTMENT PERFORMANCE

David Lee from Dahab Associates, Inc. briefed the Personnel, Pension and Insurance Investment Subcommittee on the Pension Plan Investment Performance.

APPRAISAL OF MANCHESTER LAND

February 28, 2020

To: Investment Subcommittee of the Personnel, Pension and Insurance Committee on February 28, 2020

BE IT RESOLVED that the Investment Subcommittee of the Personnel, Pension and Insurance Committee hereby makes the following recommendation to the Personnel, Pension and Insurance Committee ("PPI");

That PPI, in its capacity as the Trustee of the MDC Employee Pension Fund ("Pension Fund") acting on behalf of the Pension Fund and sole member of the limited liability company known as PFL, LLC ("LLC"), exercise the LLC's "Put Right" as defined and set forth in Section 18 of the Transfer Agreement by and between the MDC and the LLC dated December 12, 2014, as it relates to that portion of the Real Property, as defined therein, located in the Town of Manchester, at a purchase price of \$73,546.00.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

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

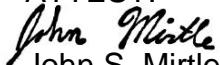
OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

Judy Allen spoke regarding the Corona Virus impact.

ADJOURNMENT

The meeting was adjourned at 12:41 PM

ATTEST:


John S. Mirtle, Esq.
District Clerk

March 9, 2021

Date Approved

**PERSONNEL, PENSION AND INSURANCE COMMITTEE
SPECIAL MEETING
The Metropolitan District
555 Main Street, Hartford
Tuesday, July 7, 2020**

Present: Commissioners Donald Currey, Byron Lester, Maureen Magnan, Dominic Pane, Bhupen Patel, Raymond Sweezy, Alvin Taylor and District Chairman William A. DiBella (8)

Absent: Commissioner Daniel Camilliere, Alphonse Marotta and Pasquale J. Salemi (3)

Also

Present: Scott W. Jellison, Chief Executive Officer
Christopher Martin, Chief Financial Officer
Christopher Stone, District Counsel
John S. Mirtle, District Clerk
Christopher Martin, Chief Financial Officer
Christopher Levesque, Chief Operating Officer
Kelly Shane, Chief Administrative Officer
Sue Negrelli, Director of Engineering
Robert Zaik, Director of Human Resources
Jamie Harlow, Manager of Labor Relations
Marcy Nelson, Human Resources Manager
Carrie Blardo, Assistant to the Chief Operating Officer
Victoria Escoriza, Executive Assistant
David Lee, Dahab Associates, Inc.
Becky Sielman, Milliman

CALL TO ORDER

Chairman Taylor called the meeting to order at 10:05 PM. A quorum was not present.

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

No one from the public appeared to be heard.

Without objection, agenda item #5 “Pension Update” was moved prior to agenda item #3 “Approval of Meeting Minutes” until a quorum was present.

PENSION UPDATE

David Lee of Dahab Associates, Inc. provided an update on the pension.

Commissioner Lester entered the meeting at 10:10 AM. A quorum was present.

Commissioner Magnan entered the meeting at 10:15 AM

APPROVAL OF MEETING MINUTES

On motion made by Commissioner Sweezy and duly seconded, the meeting minutes of February 19, 2020 were approved.

Commissioner Magnan exited the meeting at 10:50 AM

OPEB TRUST INVESTMENT ADVISOR

To: Personnel, Pension & Insurance Committee July 7, 2020

Dahab Associates Inc. is currently the investment advisor for the District's pension fund. In November 2019, the Board of Finance recommended to the District Board commencing a ten (10) year prefunding phase-in of the District's OPEB Trust be included in the 2020 budget. With funding of the OPEB Trust, it is advisable to retain an investment advisor for the trust. Staff recommends that the existing contract for Dahab Associates Inc. be amended to include investment consulting services for the OPEB Trust in addition to the pension fund. Dahab Associates Inc. provided a quote for additional services at a cost of \$2,000 per year.

It is hereby RECOMMENDED that it be:

Resolved: That the Chief Executive Office of The Metropolitan District be authorized to amend the existing contract with the firm of Dahab Associates Inc., to add investment consulting services for the District's OPEB Trust, at a cost not to exceed \$2,000.00 per year.

Respectfully submitted,



Scott W. Jellison
Chief Executive Officer

Without objection Commissioner Sweezy amended the resolution as shown above in redline.

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

PENSION DISCOUNT RATE AND PENSION FUND IMPACT OF HIGH NUMBER OF PENDING RETIREMENTS

Bob Zaik, Director of Human Resources, and Becky Sielman of Milliman provided an update on the pension discount rate and the impact of a high number of pending retirements.

EMPLOYEE LIFE INSURANCE BUYOUT

Bob Zaik, Director of Human Resources, and Jamie Harlow, Manager of Labor Relations, presented on the employee life insurance buyout.

EXECUTIVE SESSION

At 12:19 PM, Chairperson Taylor requested an executive session to discuss agenda items #8, "Disposition of Remaining Land held by PFL LLC Located in Manchester, CT; #9, "Collective Bargaining Negotiations with Local 3717; and #10, "Settlement of Workers' Compensation Claim – Darrell Gilbert".

On motion made by Commissioner Sweezy and duly seconded, the Personnel, Pension and Insurance Committee entered into executive session to discuss agenda items# 8, #9 and #10.

Those in attendance during the executive session: Commissioners Donald Currey, Byron Lester, Maureen Magnan, Dominic Pane, Bhupen Patel, Raymond Sweezy, Alvin Taylor and District Chairman William A. DiBella and Attorneys Christopher Stone and John Mirtle, Chief Executive Officer Scott Jellison, Chief Administrative Officer Kelly Shane, Chief Financial Officer Christopher Martin and Chief Operating Officer Chris Levesque.

RECONVENE

Commissioner Currey exited the meeting at 12:22 PM

At 12:22 PM, due to a lack of quorum, the Personnel, Pension and Investment Committee came out of executive session and reconvened. No discussion was held, and no formal action was taken.

Commissioner Magnan joined the meeting at 12:26 PM

COLLECTIVE BARGAINING NEGOTIATIONS WITH LOCAL 3713

The Personnel, Pension and Insurance Committee discussed collective bargaining negotiations with Local 3713.

WORKERS' COMPENSATION TENTATIVE AGREEMENT

To: Personnel, Pension and Insurance Committee for consideration on July 7, 2020

The Metropolitan District management team has directed its attorney to review long outstanding workers compensation cases to determine, based upon a financial assessment of anticipated costs provided by the Third Party Administrator, Workers' Compensation Trust, if it is feasible and financially beneficial to stipulate to agreements to terminate one or more of these cases. A workers' compensation file typically remains open for the individual's lifetime. In fact, there are cases in which there are significant on-going and future medical costs projected even as the injury occurred several years ago. One such case involves former employee Darrell Gilbert.

As a result of discussions with the claimant, other employers of the claimant, and the Workers' Compensation Commissioner assigned to the case, the parties have agreed to a tentative agreement with the claimant and his attorney to cap the District's exposure for the indemnity portion (weekly benefit) of the claim to \$ 98,100.00 and, at least as to the workers' compensation claim, release the District from all medical claims. If approved by this Committee and the Board of Commissioners, the stipulation would be subject to final approval of the Workers Compensation Commissioner.

It is therefore **RECOMMENDED** that it be:

VOTED: That the Personnel, Pension and Insurance Committee recommend to the District Board passage of the following resolution:

RESOLVED: That, pursuant to Section B2f of the By-Laws of the Metropolitan District, the Board of Commissioners of The Metropolitan District hereby authorizes District Counsel, or designee, to execute any and all documents necessary to effect settlement of any and all Workers' Compensation claim for Darrell Gilbert in the amount of \$ 98,100.00, subject to the final approval by the Workers Compensation Commission.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

On motion made by District Chairman DiBella and duly seconded, the report was received and resolution adopted by unanimous vote of those present.

**PERSONNEL, PENSION AND INSURANCE COMMITTEE
ACTING IN ITS FIDUCIARY CAPACITY ON BEHALF OF THE TRUST OF THE
RETIREMENT PLAN FOR THE EMPLOYEES OF THE METROPOLITAN DISTRICT,
THE FOUNDING AND SOLE MEMBER OF PENSION FUND LAND, LLC**

To: Personnel, Pension and Insurance Committee for consideration on July 7, 2020
Be it resolved that, pursuant to the Transfer Agreement dated December 14, 2014 by
and between The Metropolitan District (the "Transferor" or "the MDC") and Pension
Fund, LLC (the "LLC" or "Transferee") ("Agreement"), and specifically as provided in
Section 18 of said Agreement, the LLC hereby exercises its Put Right, as defined
therein, as to its approximately 27 acres of remaining land located in Manchester,
Connecticut ("Remaining Land"), and shall transfer the Remaining Land to the MDC for
a cash payment in the amount equal to the Fair Market Value of the Remaining Land,
less Approval and Carrying Costs paid to date by the MDC, but in no event less than the
Contribution Value of the Remaining Land plus a rate of return of 6.5% per year
compounded annually;

And be it further resolved that, for purposes of determining the amount to be paid by the
MDC, the LLC finds the following:

- a. the Fair Market Value of the property is \$100,000.00;
- b. the Contribution Value of the Remaining Land is \$53,680.00;
- c. the Contribution Value with a rate of return of 6.5% compounded annually for
six years is \$78,326.00; and
- d. the amount paid to date by the MDC for Approval and Development Costs
exceeds \$21,674.00.

Based upon the forgoing findings, and pursuant to the formula set forth in the
Agreement, the amount to be paid by the MDC for the Remaining Land is \$78,326.00;

And be it further resolved that the Manager of the LLC provide formal notice of this
resolution, said notice to include a copy of an appraisal of the Remaining Land and
explanation of the Remaining Land's Contribution Value.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

***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 1:06 PM

ATTEST:


John S. Mirtle, Esq.
District Clerk

August 26, 2020

Date Approved

**PERSONNEL, PENSION AND INSURANCE COMMITTEE
SPECIAL MEETING
The Metropolitan District
555 Main Street, Hartford
Wednesday, August 26, 2020**

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

Absent: Commissioner Daniel Camilliere (1)

Also

Present: Scott W. Jellison, Chief Executive Officer
Christopher Stone, District Counsel
John S. Mirtle, District Clerk
Kelly Shane, Chief Administrative Officer
Christopher Levesque, Chief Operating Officer
Christopher Martin, Chief Financial Officer
Robert Zaik, Director of Human Resources
Jamie Harlow, Manager of Labor Relations
Victoria Escoriza, Executive Assistant

CALL TO ORDER

Chairman Taylor called the meeting to order at 4:02 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 July 7, 2020 were approved.

ONE TIME RETIREE PAYMENT

Bob Zaik, Director of Human Resources updated the committee that the one-time retiree payment was made.

EMPLOYEE RETIREMENTS

Bob Zaik, Director of Human Resources, provided an update on employee retirements.

COVID 19

Jamie Harlow, Manager of Labor Relations, provided an update on the MDC's COVID-19 protocols.

APPROVAL OF OPEB INVESTMENT POLICY

To: Personnel, Pension and Insurance Committee for consideration on August 26, 2020

In November 2019, the Board of Finance recommended to the District Board commencing a ten (10) year prefunding phase-in of the District's OPEB Trust starting in the 2020 budget. In July 2020, the Personnel, Pension & Insurance Committee and District Board authorized the Chief Executive Officer to amend the existing contract with Dahab Associates Inc. as the pension investment advisor to include investment consulting services for the District's OPEB Trust. Dahab Associates Inc. drafted the enclosed OPEB Trust Investment Policy & Guidelines and recommends adoption of said policy by the District.

It is therefore RECOMMENDED that it be

VOTED: That the Personnel, Pension & Insurance Committee recommends to the District Board passage of the following resolution:

RESOLVED: That the District Board hereby approves the attached Other Post-Employment Benefits Trust Investment Policy & Guidelines and authorizes staff to implement and administer said Policy.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

**THE METROPOLITAN DISTRICT
OTHER POST-EMPLOYMENT BENEFITS TRUST**

**STATEMENT OF
INVESTMENT POLICY AND GUIDELINES**

AUGUST 2020

I. Statement of Purpose

The investment management of the Metropolitan District Other Post-Employment Benefits Trust (the "Trust" or "OPEB Trust") shall follow this Statement of Investment Policy and Guidelines as adopted August 26, 2020.

Statutory authority for the investment program of this Trust is provided by the provisions of section 7-450 of the Connecticut General Statutes. This Statement of Investment Policy and Guidelines applies only to the OPEB Trust. This Statement of Investment Policy and Guidelines shall be reviewed annually, but may be amended at any time.

A. Objectives

The objective of the Trust's Investment Policy is to preserve the actuarial soundness of the Trust in order to meet contractual benefit obligations. The Trust shall be for the purpose of funding current and future health care benefits for eligible participants in accordance with the Trust.

B. Fiduciary Standards

In striving to attain these objectives, the Trust will be managed in a manner consistent with fiduciary standards, namely:

1. All transactions shall be in the sole interest of the participants and their beneficiaries, and
2. All investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in an expert like capacity and familiar with such matters would use in conduct of an enterprise of like character and with the same aims, and
3. All entities dealing with the Trust are required to disclose conflicts of interest as soon as they become apparent, in writing to the OPEB Board or as part of a public meeting when the problem becomes apparent.

The OPEB Board must strive to maintain both the reality and the public perception that its decisions are

made solely for the benefit of plan members. All entities dealing with the Trust must conduct themselves in a manner worthy of the public trust, keeping in mind that the Trust is subject to public review and evaluation.

II. Roles and Responsibilities

All parties serving the Trust at the date of the original adoption of this Statement of Investment Policy and Guidelines have 60 days to be in compliance with its provisions, or to notify the OPEB Board in writing as to why they cannot be in compliance.

A. OPEB Board

The OPEB Board (the “Board”) has the responsibility of establishing and maintaining policies for all aspects of the Trust including:

- Setting of investment policy;
- Performing asset allocation for the Trust;
- Selecting, evaluating, and replacing investment professionals.

The Board may select other professionals to assist in its duties.

B. Trust Administrator

The Metropolitan District has delegated the responsibility to the Director of Finance to plan, organize, and administer the operations of the Trust under broad policy guidance from the Board. These operations include but are not limited to accounting; administration of investments, attorneys, accountants, actuaries, consultants and select investment oversight.

C. Actuary

The Board will select an actuary to perform a valuation of the plan as often as needed.

D. Investment Consultant

The Board may engage an investment consultant. The investment consultant will give an independent perspective on the Trust, help select custodians and investment managers, review asset allocation, and provide investment performance measurement.

The investment consultant is expected to attend meetings of the Board as needed and to perform asset allocation studies as needed.

The investment consultant will acknowledge in writing that he is a fiduciary of the plan relative to the provided services.

E. Custodian

The Custodian will hold all cash and securities or evidence thereof. The Custodian will be responsible for maintaining records, providing fund accounting and other services as defined in its contract.

The Custodian may not engage in financial transactions related to the Trust that are based on written or oral instructions from any person other than the Board, or the Administrator acting on the Board’s behalf.

F. Investment Managers

In managing assets for the Trust, the Board may engage the services of investment managers. Investment managers buy and sell securities according to guidelines established for their particular asset class.

Investment managers are to acknowledge in writing that they are fiduciaries of the plan relative to provided services.

III. Other Post-Employment Benefits Trust

The OPEB Board has three tasks to accomplish in managing the Trust: first, to adopt a realistic actuarial rate of return for the Trust; second, to recommend the level of contributions needed to keep the Trust financially sound; and third, to construct a portfolio that will have the potential of earning the actuarial rate of return with a high probability of success while muting as much volatility as possible.

The Board shall hire an actuary to conduct an actuarial study in meeting the first two goals. The Board may also hire an Investment Consultant to help in achieving the third goal, and to assist in setting the actuarial rate of return.

The Board shall exercise an appropriate level of due diligence with respect to all aspects of the investments in the Trust, development of the asset allocation structure, selection of external investment managers and the monitoring of investment performance.

The Board is aware that mutual funds and other commingled vehicles have separate guidelines and/or prospectuses. When employing such vehicles, the Board acknowledges that those separate guidelines and/or prospectuses shall supersede the guidelines that follow.

A. Manager Responsibility

Managers of funds administered under the Trust must acknowledge fiduciary responsibility relative to their work with the plan. Managers shall be held to the prudent expert standard articulated in Section I.B.2. above.

B. Trust Characteristics

In constructing portfolios for the Trust, the Board should consider the following characteristics.

1. Liquidity

The Trust should have liquidity to meet its cash flow needs. Individual investments may have limited liquidity so long as they do not interfere with the operation of the Trust as a whole. At plan inception, the cash flows are very strong. Cash inflows are expected to significantly exceed benefit payouts and expenses for the near future. The Board acknowledges the most liquid investments come at a cost of lower expected return. As the Trust grows, some investments may be selected with limited liquidity if expected returns exceed those of the more liquid investments then available.

2. Diversification

Assets should be diversified among asset categories, sectors, and geographic areas to minimize volatility. In the initial phases of the Trust, diversification may be simplified.

3. Time Horizon

The time horizon of the Trust is perpetual. In projecting returns for the Trust, the Board may consider information from recent history (20 years), long-term history (about 70 years) or some combination of

the two. The Board must judge what data gives the best estimate for future returns by applying evidence from the past to current circumstances.

4. Risk Tolerance

The primary investment emphasis of the Trust is to meet the actuarial rate of return. However, a secondary goal is to preserve capital and achieve consistency of results. The Board should strive to attain these secondary goals while still meeting the actuarial rate of return.

The Board recognizes that risk is present in all investments. The assumption of risk is needed to achieve satisfactory long-term results. It is the responsibility of the Board to manage the tradeoff between risk and return given the projected needs of the Trust, always attempting to minimize risk of the overall portfolio for any given level of return.

The Board recognizes the initial cash flows are modest, but will increase over time and that the duration of payouts exceeds that of contributions. The initial risk reward profile has an aggressive bias.

5. Asset Allocation

An asset allocation study should be periodically performed. The study requires a projection of cash flows, which are dependent on contributions made into the Trust and disbursements made from the Trust in the form of benefits and expenses. The purpose of the asset allocation study is to understand the trade off between risk and return, and to aid in the construction of a portfolio that has a high probability of earning the actuarial rate of return but achieves this goal with a minimum of volatility.

6. Rebalancing

Once policy targets for the asset allocation are set in the asset allocation study, the Board should instruct the Administrator, in conjunction with the investment consultant, to rebalance the Trust in an effort to keep the asset allocation in line with the policy target. A rebalancing policy as it applies to the most current asset allocation is contained in the asset allocation addendum.

C. Investment Alternatives

Investment alternatives are divided into four broad categories: fixed income, domestic equity, international equity and alternative investments.

Fixed income investments shall be used primarily to provide stability of principle. Domestic equity and international equity may be added to enhance return. Alternative investments may be added to enhance return, and to provide diversification that will reduce volatility.

D. Performance Standards

Each manager hired will be assigned a benchmark. Active managers are expected to exceed their benchmark net of fees, and to perform in the upper half of a universe of managers in a similar style over a market cycle. Passive managers are expected to track their respective benchmarks with minimal tracking error. Guidelines for each of the asset classes are outlined in the next section.

IV. Manager Guidelines

A. Fixed Income Managers

1. Investment objective. Active bond managers are expected to beat a benchmark appropriate to

their style, and to perform in the top half of a universe of similar portfolios. The benchmark used for comparison should be assigned to the manager as part of the selection process.

2. Permissible securities. Fixed income managers may invest in U.S. Government and agency bonds, U.S. domestic corporate bonds, asset-backed and mortgage-backed securities, and convertible bonds.
3. Non-permissible securities. Fixed income managers are prohibited from investing in equity securities (except for term trusts) and municipal bonds. Fixed income managers are also prohibited from investing in commodities, unregistered letter stock, foreign securities (other than those evidenced by American Depository Receipts which are listed on the New York Stock Exchange (NYSE), warrants, loans of portfolio securities, venture capital issues and private placements.
4. Non-permissible transactions. Fixed income managers are prohibited from purchasing securities on margin or selling short.
5. Cash balances. Managers are expected to remain fully invested. However, the decision to maintain cash balances is left to the manager's discretion, keeping in mind that the benchmark will be applied to the manager's total portfolio and not just to the non-cash portion. Managers should inform the Board within 10 business days if cash balances exceed 10%. Cash and equivalents may be invested in commercial paper rated A1 or P1, repurchase agreements, U.S. Treasury Bills and money market fund.
6. Marketability. Fixed income securities should be readily marketable.
7. Diversification. Fixed income obligations of any one issuer, other than securities subject to the guarantee of the United States government or any of its agencies, should represent no more than 5% of the aggregate fair market value of a manager's portfolio.

B. Domestic Equity Managers

1. Investment Objective. Active equity managers are expected to outperform a benchmark appropriate to their style (value, core or growth) and market capitalization (large, mid and small). In addition, active equity managers should be ranked in the upper half of a universe of similar portfolios. Passive equity managers are expected to track their appropriate benchmark.
2. Permissible securities. Equity managers may invest in common stocks, convertible securities, and American Depository Receipts (ADRs) for listed securities of foreign corporations. Listed securities are those traded on the NYSE, American Stock Exchange (AMEX) and National Association of Securities Dealers Automated Quotation System (NASDAQ) exchanges. Any investment in convertible debentures must carry an investment grade rating of "A" or better. Securities purchased should come from the universe of their benchmark - or closely resemble them. For example, a large cap value manager should largely purchase large cap value securities. However, it is acceptable to purchase a modest amount of mid cap value or large cap growth as long as the characteristics and the performance of the fund generally resemble those of a large cap value fund.
3. Non-permissible securities. Equity managers may not invest in foreign securities other than those defined above, fixed income securities, commodities, unregistered letter stock, warrants, real estate mortgages, all options and futures, real or personal property, oil and gas property, loans of portfolio securities, venture capital issues, private placements, securities of a contributing employer, and derivatives. Derivatives include collateralized mortgage obligations, interest-only and principal-only strips, and currency swaps or other specialized investment activities.
4. Non-permissible transactions. Except with the written consent of the Board, equity managers may not purchase securities on margin or sell short.

5. Cash balances. Managers are expected to remain fully invested. However, the decision to maintain cash balances is left to the manager's discretion, keeping in mind that the benchmark will be applied to the manager's total portfolio and not just to the non-cash portion. Managers should inform the Board within 10 business days if cash balances exceed 10%. Cash and equivalents may be invested in commercial paper rated A1 or P1, repurchase agreements, U.S. Treasury Bills and money market fund.
6. Marketability. Securities should be marketable. It is understood that small- and mid-capitalization stocks offer less liquidity than more widely held securities.
7. Diversification. Equity investments by a Manager in any single corporation shall be limited to no more than 5% of the Manager's total portfolio based on the fair market value of the portfolio at the time of purchase, and no more than 10% of the Manager's total portfolio at any quarterly valuation. The portfolio should also be appropriately diversified by industry sector. The manager should inform the Board in writing of any violation within 10 business days of its occurrence.
8. Income. There are no minimum yield or dividend requirements.

C. International Equity Managers

1. Investment objective. Active international equity managers are expected to outperform a benchmark appropriate to their style. In addition, active international equity managers should be ranked in the upper two quartiles of a universe of similar portfolios.
2. Permissible securities. International equity managers must invest in securities of companies not domiciled in the United States, including common stocks traded on any major stock exchange or ADRs traded in the United States, global depository receipts (GDRs) and preferred stocks traded on any major stock exchange. International equities include equities of both developed countries and emerging markets.
3. Non-permissible securities. Foreign equity managers may not invest in equities of U.S.-domiciled companies, fixed income securities, commodities, unregistered letter stock, warrants, real estate mortgages, all options and futures, real or personal property, oil and gas property, loans of portfolio securities, venture capital issues, private placements, securities of a contributing employer, and derivatives. Derivatives include collateralized mortgage obligations, interest-only and principal-only strips, and currency swaps or other specialized investment activities.
4. Non-permissible transactions. Except with the written consent of the Board, equity managers may not purchase securities on margin or sell short.
5. Cash Balances. Managers are expected to remain fully invested. However, the decision to maintain cash balances is left to the manager's discretion, keeping in mind that the benchmark will be applied to the manager's total portfolio and not just to the non-cash portion. Managers should inform the Board within 10 business days if cash balances exceed 10%. Cash and equivalents may be invested in commercial paper rated A1 or P1, repurchase agreements, U.S. Treasury Bills and money market fund.
6. Marketability. Securities should be marketable. It is understood that international equity securities, especially in emerging markets, offer less liquidity than more widely held securities.
7. Diversification. Equity investments by a Manager in any single corporation shall be limited to no more than 5% of the manager's total portfolio based on the fair market value of the portfolio at the time of purchase, and no more than 10% at any quarterly valuation. The portfolio should also be appropriately diversified by industry sector. The Manager should inform the Board in writing of any violation within 10 business days.

8. Income. There are no minimum yield or dividend requirements.

D. Alternative Investments

Alternative investments should be considered with the goal of increasing the return of the portfolio without increasing risk, or lowering risk of the overall portfolio without lowering return.

If the Board allocates part of the portfolio to an alternative asset class, separate investment guidelines specific to that asset class shall be adopted.

V. Manager Guidelines

Investment managers may not act upon written or oral instructions from any person other than the Board, or the Administrator acting on behalf of the Board or the Administrator.

A. Discretionary Authority

Managers are given full discretion to act in accordance with the Statement of Investment Policy and Guidelines. In placing portfolio transaction orders on behalf of the Trust, each manager shall obtain execution of orders through responsible broker/dealers at the most favorable prices and at competitive commission rates, taking into consideration the efficiency of execution of the transaction.

B. Reporting

1. Within 14 calendar days a manager must inform the Board of changes in organizational structure, ownership, or key personnel. Also a Manager must inform the Board of material litigation brought by a client or former client relating to investment advisory services, or any enforcement proceeding by a regulatory agency that would have a material effect on the manager, within 14 calendar days after the manager has been notified of the litigation or the enforcement proceeding.
2. On a monthly basis each manager is to submit a portfolio statement. The monthly statement should include market and book values for all security holdings and performance results compared with the designated benchmark.
3. On a quarterly basis each manager is to submit a brief letter or report on the status of and outlook for his or her portfolio. The report should address the following:
 - Economic investment and outlook;
 - Investment strategy (short- and intermediate-term)
 - Explanation of any high concentrations in any one sector or security;
 - A list of portfolio holdings or a summary of the largest holdings;
 - Commissions on trades upon request;
 - Market and book values for all security holding;
 - Performance results compared with designated benchmarks;
 - Brokerage commission reports (if any);
 - Turnover ratio;
 - Derivative use;
 - Quality ratings with average quality (for fixed income portfolios).
4. On an annual basis each manager may be required to submit an annual proxy voting report and the filing of Form ADV with the Securities and Exchange Commission.

C. Proxy Voting

The Board requires that managers exercise authority with regard to proxy voting, acting solely in the interest of and for the exclusive purpose of providing benefits to participants and beneficiaries, and always acting in the best interests of participants and beneficiaries. With regard to corporate governance, proxy votes should be against proposals to limit or eliminate liability for violation of duty of care and to indemnify directors in instances of gross negligence.

Managers shall be able to provide, upon request, an annual proxy voting report that shall include the following:

- Summation of all votes cast;
- Affirmation that all stock holdings with votes due were voted;
- Description of proposed changes in proxy voting policies;
- Confirmation that all votes cast were consistent with policy;
- Explanation of any violation of the previous requirements.

D. Cost Management

1. Turnover. The Board acknowledges that in the course of a year, investment conditions and opportunities will require managers to buy and sell securities on the Board's behalf. While the Board does not wish to inhibit the normal transactions executed by the managers, it does wish to be made aware of the need for any high levels of turnover to avoid churning the portfolio. The following reporting requirements are therefore for control purposes and are not necessarily intended to limit portfolio turnover to the stated limits.
 - Turnover is defined as the lesser of total purchases or sales divided by opening balance. Convertible bonds are considered equity surrogates and are subject to the discussions for common stocks. Preferred stocks are considered perpetual bond surrogates and are subject to the discussions for corporate bonds.
 - Equity turnover. Within five business days of the time in any calendar quarter in which the cumulative equity turnover during the quarter exceeds 30%, or within any calendar year in which the cumulative equity turnover exceeds 100%, the manager must submit a report to the Administrator stating the reason for the turnover as well as a list of any brokerage firms whose fees during the quarter or year exceeded \$10,000. Fixed income turnover. Within five business days of the time in any calendar quarter in which the cumulative fixed income turnover during the quarter exceeds 100% or within any calendar year in which the cumulative fixed income turnover exceeds 200%, the manager must submit a report stating the reason for the turnover as well as a list of any brokerage firms handling more than 20% of the subject trades. U.S. government securities, used as collateral as part of the repurchase agreements, are exempt from this requirement.
 - Turnover may be considered as one factor in the money manager selection and retention process.
2. Broker Relations. The manager is free to execute trades whenever it is in the best interests of the Trust, and will have the discretion to execute transactions with brokerage firms of his or her choosing.
 - The selection of a broker should be based on the quality of executions. Factors affecting the quality of executions include the financial health of the brokerage firm, the business integrity

of the brokerage firm, commission costs and overall efficiency.

- Commission dollars are a Trust asset and should not be used for purposes other than those that directly benefit Trust participants. The investment manager is required to provide reports and descriptions of all soft dollar arrangements involving the use of commission dollars to acquire resources of any type.

VI. Execution of Investment Policy

IN WITNESS WHEREOF, this document has been approved and executed by the undersigned on this

_____ day of August __, 2020

Metropolitan District of Connecticut Other Post-Employment Benefits Trust

Date: _____

By: _____
Trust Administrator

By: _____
Board Chairman

ADDENDUM

ASSET ALLOCATION

The Board has currently adopted the following asset allocation at market value:

	<u>Allocation</u>	<u>Range</u>
Large Cap Equity	80%	+/- 10%
Fixed Income	20%	+/- 10%

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

APPROVAL OF INTEREST RATE FOR PENSION REIMBURSEMENT

By resolution of the District Board considered at its meeting of July 14, 2014, and upon recommendation of the Personnel, Pension and Insurance Committee and the Water Bureau, the MDC approved an investment contribution of approximately 570 acres of MDC-owned property in Glastonbury (Pension Land) to the Trust of the Retirement Plan for Employees of the Metropolitan District (Plan). The purpose of the proposed transfer was to offset, in whole or in part, the MDC's Annual Required Contribution (ARC) (now ADC, or Actuarially Determined Contribution) for Fiscal Year 2015. The transfer of the Pension Land from the MDC to the Plan was completed on December 14, 2014. In order to facilitate the transfer of the Pension Land into the Plan, a limited liability company, Pension Fund Land LLC (PFL LLC), was created to hold the Pension Land.

As part of the transfer agreement controlling the transfer of the Pension Land into the Plan, PFL LLC was authorized to make commercially reasonable efforts to develop the Pension Land or prepare it for development. PFL LLC in fact made such efforts, and in doing so, demonstrated that an increased value of the land as developable parcels rather than solely open space or watershed land was appropriate. Under the transfer agreement, the District was obligated to either pay such costs directly or reimburse PFL LLC, i.e. the Plan.

On October 7, 2019 the PPI Committee approved a purchase and sale agreement with the Town of Glastonbury for approximately 553 acres of the Pension Land. The closing for the property sale occurred on January 16, 2020.

At this time, it is necessary for the District to reimburse the Plan for development costs incurred in furtherance of the sale of the Pension Land. At the July 20, 2020 Board of Finance meeting, the District's actuary, Becky Sielman of Milliman, briefed the board on two alternatives to effect the reimbursement of the underlying \$1,384,488.61 in development costs, plus interest calculated through June 30, 2020. The first method used a fixed, compounded interest rate of 3% per year, which would bring total reimbursement to \$1,563,105. The second method used the actual annual returns of the Plan's assets for 2015 to 2019 and an estimated return for 2020 year to date of -3.1% provided by the District's pension investment advisor Dahab Associates Inc., with a total reimbursement of \$1,780,426.

As Trustee of the Plan, it is the PPI Committee's responsibility to determine the appropriate interest rate to recommend to the District Board to be applied to the reimbursable development expenses to the Plan.

It is therefore RECOMMENDED that it be

VOTED: That the Personnel, Pension & Insurance Committee recommends to the District Board passage of the following resolution:

RESOLVED: That the District Board hereby accepts reimbursement of development costs related to the Pension Land using an interest rate calculated through June 30, 2020 based on actual annual returns of the Plan's assets for 2015 to 2019 and an estimated return for 2020 year to date of 3.1% provided by the District's pension investment advisor Dahab Associates Inc. totaling \$1,780,426.

That the District Board hereby accepts reimbursement of development costs related to the Pension Land using an interest rate calculated based on actual net-of-fees annual returns of the Plan's assets for 2015 to 2020 provided by the District's pension investment advisor Dahab Associates Inc. totaling \$1,917,562 to be updated as of the closing value of the Plan as of August 21, 2020.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

Commissioner Sweezy moved to amend the resolution, as shown above in redline. The amendment was duly seconded and adopted by majority vote. Commissioner Currey opposed.

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

EXECUTIVE SESSION

At 5:28 PM, Chairman Taylor requested an executive session to discuss agenda items #9, "Collective Bargaining Negotiations with Local 3173" and #10, "Pending Litigation-MDC v Zinzarella.

On motion made by Commissioner Sweezy and duly seconded, the Personnel, Pension and Insurance Committee entered into executive session to discuss agenda items #9 and #10.

Those in attendance during the executive session: Commissioners Donald Currey, Byron Lester, Maureen Magnan, Alphonse Marotta, Dominic Pane, Bhupen Patel, Pasquale J. Salemi, Raymond Sweezy, Alvin Taylor and District Chairman William A. DiBella and Attorneys Christopher Stone and John Mirtle, Chief Executive Officer Scott Jellison, Chief Administrative Officer Kelly Shane, Chief Financial Officer Christopher Martin, Chief Operating Officer Chris Levesque, Director of Human Resources Bob Zaik, and Manager of Labor Relations Jamie Harlow.

RECONVENE

At 6:31 PM, on motion made by Commissioner Sweezy and duly seconded, the Personnel, Pension and Investment Committee came out of executive session and reconvened. No formal action was taken.

Following the Executive Session, no quorum was present due to Commissioners not dialing back into the public call-in number.

ADJOURNMENT

The meeting was adjourned at 6:33 PM

ATTEST:


John S. Mirtle, Esq.
District Clerk

September 21, 2020

Date Approved

**PERSONNEL, PENSION AND INSURANCE COMMITTEE
SPECIAL MEETING
The Metropolitan District
555 Main Street, Hartford
Monday, September 21, 2020**

Present: Commissioners Donald Currey, Maureen Magnan, Dominic Pane, Pasquale J. Salemi, Raymond Sweezy, Alvin Taylor and District Chairman William A. DiBella (8)

Absent: Commissioners John Avedisian, Daniel Camilliere, Byron Lester, Alphonse Marotta and Bhupen Patel (4)

Also Present: Scott W. Jellison, Chief Executive Officer
Christopher Stone, District Counsel
John S. Mirtle, District Clerk
Kelly Shane, Chief Administrative Officer
Christopher Levesque, Chief Operating Officer
Christopher Martin, Chief Financial Officer
Robert Zaik, Director of Human Resources
Jamie Harlow, Manager of Labor Relations
Olga Cordova, Interim Manager of Human Resources
Kadian Cohen, HR Generalist
Carrie Blardo, Executive Assistant to the CEO
Victoria Escoriza, Executive Assistant
David Silverstone, Independent Consumer Advocate
David Lee, Dahab Associates

CALL TO ORDER

Chairman Taylor called the meeting to order at 12:04 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 August 26, 2020 were approved.

PENSION INVESTMENT PERFORMANCE

David Lee of Dahab Associates presented a pension investment update.

On motion made by Commissioner Taylor and without objection, agenda items #5A “Amendment of Exempt & Excluded Job Descriptions – Professional Associate” and #5B “Amendment of Exempt & Excluded Job Descriptions – Controller” were consolidated and voted on together.

AMENDMENT OF EXEMPT & EXCLUDED JOB DESCRIPTIONS

CHANGES TO CLASSIFICATION SYSTEM PROFESSIONAL ASSOCIATE

To: Personnel, Pension and Insurance Committee for consideration on September 21, 2020

Staff is recommending that the Classification System be amended to include the *Professional Associate* classification. A copy of the proposed Specification is attached. The proposed salary allocation of EE03 (range of \$ 59,405.48 to \$ 71,286.58).

This proposed classification will be used to attract talented college graduates who can be developed for career path advancement with the District.

In this role, new associates may be moved throughout the organization to gain wide-ranging knowledge of our operations and functions. We have currently an array of Professional Level Trainees assigned to Finance, Administration and Human Resources. If this new classification is approved, we will assess each of the Professional Level Trainees to determine if they can be advanced to this new level.

It is therefore RECOMMENDED that it be:

VOTED: That the Personnel, Pension and Insurance Committee recommend to the District Board passage of the following resolution:

RESOLVED: That the Classification System be amended to include a Professional Associate classification allocated to EE03 salary (copy of job specification attached).

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

**METROPOLITAN DISTRICT COMMISSION
CLASSIFICATION DESCRIPTION**

CLASSIFICATION TITLE: PROFESSIONAL ASSOCIATE

PURPOSE OF CLASSIFICATION

The Professional Associate position is intended to provide employees with an ongoing mechanism to enhance their skills and knowledge in engineering, accounting and human resources fields that can lead to mastery of their current job.

The Professional Associate participates in the comprehensive development related to the department. The training and development program create a career development path for job enhancement and job opportunities. Successful completion of the Professional Level Trainee Program establishes that the employee has mastered the skills, knowledge, and competencies necessary for the Professional Associate position.

The Professional Associate must have working knowledge of the assigned department's policies and procedures and a full understanding of the department's essential functions. Professional Associates must have the ability to work independently at the professional level with minimal supervision. The Professional Associate may be required to work cross functionally and/or rotate through key areas of the organization.

ESSENTIAL FUNCTIONS

The following duties are normal for this position. The omission of specific statements of the duties does not exclude them from the classification if the work is similar, related, or a logical assignment for this classification. Other duties may be required and assigned. Works under the supervision of higher staff to:

- Ability to build relationships with key stakeholders.
- Assist in the implementation and organization of office operations and procedures.
- Processes forms and documents within generally established procedures. Checks for adherence to requirements and accepted administrative practice.
- Responsible for implementing and promoting activities that enhance operational procedures.
- Ability to utilize computer software; Microsoft Word, Excel, PowerPoint and SAP. Understand and monitor compliance with related policies and procedures.

- Assist in the planning, organizing and scheduling of meetings and appointments.
- Coordinates programs, projects and events related to the department's function.
- Composes routine and specialized correspondence.
- Assist in preparing department reports.
- Communicate department related information to members of the organization.
- Responsible for creating PowerPoint slides and making presentations.
- Perform review and analysis of special projects and keep management properly informed.
- Determine current trends and provide a review to management to act on.

MINIMUM QUALIFICATIONS

Possession of a Bachelor or Master's Degree in a field related to the work performed by the hiring department. Must have a valid driver's license.

PREFERRED QUALIFICATIONS

Engineering

One to two years of work experience performing engineering duties. Performs routine entry level engineering tasks. Contributes to the department of engineering plans and designs. Investigates and analyzes new materials, equipment, and engineering practices. Prepares engineering calculations, estimates, statistics, and minor designs. Estimate costs for projects. Analyzes quotes for bids to assist senior engineers, and performs equipment and materials test studies.

Human Resources

One to two years of work experience performing human resources duties. Reporting skills, administrative writing skills, verbal communication, recruitment, record maintenance, and payroll processing. Provide clerical support to all employees. Proficiency using HR systems. Ability to perform data analysis by using standard reports and/or by creating reports. Knowledge of policies, procedures and business processes. Verbal and written communication skills. Proficiency with Microsoft Windows applications. Ability to effectively interact with all employee levels and people with diverse backgrounds.

Business Administration

One to two years of work experience performing accounting duties. Knowledge of accounting and auditing principles and practices. PC proficient and advanced skills with MS Office, especially Excel. Ability to prepare work products effectively using formulas, graphs, charts, and functions including Microsoft Office Products to sort, merge, and analyze information. Ability to extract, manipulate, organize, perform arithmetical computations and analysis of financial data from accounting systems.

ADDITIONAL FUNCTIONS

Performs other related duties as required.

KNOWLEDGE, SKILLS, AND ABILITIES

- Oral and written communication skills; ability to acquire knowledge and skills required for the target classification.
- Ability to understand, evaluate and solve problems by exercising judgement and logic.
- Ability to demonstrate active listening skills.
- Ability to ask the right questions to size up situations.
- Ability to convey ideas confidently in group settings.
- Ability to read, interpret and understand written material.
- Ability to perform basic arithmetical computations.
- Ability to interpret charts, graphs and tables; learning and reasoning ability; ability to establish and maintain cooperative relations with superiors, associates and general public.
- Ability to utilize computer software.
- Ability to pursue improvement opportunity.
- Demonstrate effective problem-solving skills.
- Knowledge of MDC operations, projects, and services.
- Knowledge of business English.
- Knowledge of various communications systems.
- Proficiency in typing;
- Ability in oral communications and good ability in written communications.
- Ability to follow oral and written instructions.
- Ability to perform administrative procedures.
- Ability to learn the operations of the assigned department.
- Ability to establish and maintain effective working relationships with coworkers, customers and the general public.
- Ability to calculate monetary charges.

**JOB SPECIFICATION CHANGES
CONTROLLER POSITION**

To: Personnel, Pension and Insurance Committee for consideration on September 21, 2020

The *Controller* job specification was approved on November 9, 2015. It is a very critical position in the Finance Department hierarchy.

We have a current vacancy and are recommending the indicated changes to facilitate a more specific recruiting effort. The position valuation is not affected (EE18, with a range of \$ 118,190.51 to \$ 153,647.68).

Staff is recommending the indicated specification word changes with no valuation change.

It is therefore RECOMMENDED that it be:

VOTED: That the Personnel, Pension and Insurance Committee recommend to the District Board passage of the following resolution:

RESOLVED: That the *Controller* Job Specification wording be changed as indicated on the attached specification with no change to the salary allocation.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

Code:
Employee Group: E&E
FLSA Status: Exempt

METROPOLITAN DISTRICT COMMISSION CLASSIFICATION DESCRIPTION

CLASSIFICATION TITLE: CONTROLLER

JOB SUMMARY

The purpose of this classification is to perform professional level work overseeing the management of and responsibility for budgeting, capital improvement planning, accounts payable, procurement, payroll, financial reporting, cost accounting, grant management, strategic planning and continuous process improvements, and annual audits. Acts as the leader in comprehensive knowledge of Generally Accepted Accounting Principles (GAAP) accounting standards, and must ensure that the organization is following all relevant accounting principles and standards.

ESSENTIAL FUNCTIONS

The following duties are normal for this position. The omission of specific statements of the duties does not exclude them from the classification if the work is similar, related, or a logical assignment for this classification. Other duties may be required and assigned.

- **Plans, directs and coordinates all District accounting functions through the planning and implementing implementation of goals and objectives for the areas of general accounting, payroll, accounts payable, and external financial reporting.**
- Manages the accumulation and consolidation of all financial data necessary for an accurate accounting of consolidated operating expense funds and capital improvement funds results. Identifies, implements and maintains proper accounting treatment for the District's transactions in accordance with GAAP and Government Accounting Standards.
- Coordinates the preparation of internal and external fund financial statements for issuance on a monthly, quarterly and annual basis which allows proper monitoring of financial performance. Responsible for the assessing current accounting operations, offering recommendations for improvement and the implementing implementation of new processes.
- Coordinates the activities of the external auditors and manages any financial system upgrades for the District. Responsible for evaluating, implementing and maintaining the accounting and internal control system.
- Develops, maintains and reports on key performance indicators which highlight the financial control function performance. Makes recommendations for improving operational efficiency and control.
- Performs other duties as required.

SUPERVISION RECEIVED

~~Works under the general direction of the Director of Finance.~~ **Works under the general direction of the Director of Finance/Chief Financial Officer.**

MINIMUM QUALIFICATIONS

Bachelor's degree in accounting with a minimum of ten (10) years of progressively responsible experience, including three (3) years of supervisory and/or managerial experience in accounting, finance, and auditing functions for an organization; Practical experience is not an acceptable substitute for degree requirement.

Preferred Qualifications: Public accounting experience and/or Master's in Accounting. Governmental accounting experience with prior work experience in a state, municipality, or utility. Acceptable candidate has working knowledge and understanding of GASB rules along with principles of fund accounting and cost accounting. Enterprise Resource Planning (ERP) System experience a plus with SAP experience and skills preferred. Relevant education, experience, skills, managerial/supervisory ability, and performance aptitudes as reflected in the position's job specification.

The MDC seeks to enhance the diversity of its workforce. People of color, women, veterans and persons with disabilities are strongly encouraged to apply. The selected candidate will undergo an internal background check.

SPECIAL REQUIREMENTS

~~Must be a Certified Public Accountant.~~ **Certified Public Accountant is preferred.**

~~MBA preferred.~~

PERFORMANCE APTITUDES

Data Utilization: Requires the ability to coordinate, manage, strategize, and/or correlate data and/or information. Includes exercise of judgment in determining time, place and/or sequence of operations. Includes referencing data analyses to determine necessity for revision of organizational components.

Human Interaction: Requires the ability to function in a supervisory/managerial capacity for a group of workers. Includes the ability to make decisions on procedural and technical levels.

Equipment, Machinery, Tools, and Materials Utilization: Requires the ability to operate, maneuver and/or control the actions of equipment, machinery, tools, and/or materials used in performing essential functions.

Verbal Aptitude: Requires the ability to utilize a wide variety of reference, descriptive, advisory and/or design data and information.

Mathematical Aptitude: Requires the ability to perform addition, subtraction, multiplication and division; ability to calculate decimals and percentages; and may include ability to perform

mathematical operations involving basic algebraic principles and formulas, and basic geometric principles and calculations.

Functional Reasoning: Requires the ability to apply principles of logical or synthesis functions. Ability to deal with several concrete and abstract variables, and to analyze major problems that require complex planning for interrelated activities that can span one or several work units.

Situational Reasoning: Requires the ability to exercise the judgment, decisiveness and creativity required in situations involving the direction, control and planning of an entire program or set of programs.

ADA COMPLIANCE

Physical Ability: Tasks involve the ability to exert very light physical effort in sedentary to light work, involving some reaching, handling, fingering and/or feeling of objects and materials.

Sensory Requirements: Some tasks require the ability to perceive and discriminate visual and/or auditory cues or signals. Some tasks require the ability to communicate orally.

Environmental Factors: Essential functions are regularly performed without exposure to adverse environmental conditions.

The Metropolitan District Commission is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the Commission will provide reasonable accommodations to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.

On motion made by Commissioner Sweezy and duly seconded, the reports for agenda items #5A “Amendment of Exempt & Excluded Job Descriptions – Professional Associate” and #5B “Amendment of Exempt & Excluded Job Descriptions – Controller” were received and resolutions adopted by unanimous vote of those present.

AMENDMENT NO. 12 TO THE RETIREMENT PLAN FOR EMPLOYEES OF THE METROPOLITAN DISTRICT

WHEREAS, The Metropolitan District (the “MDC”) is the sponsor of the Retirement Plan for Employees of The Metropolitan District (the “Retirement Plan”); and

WHEREAS, the District Board of the MDC has the authority to adopt amendments to the Retirement Plan upon the recommendation of the Personnel, Pension and Insurance Committee of the MDC (the “PPI Committee”); and

WHEREAS, an amendment to the Retirement Plan was previously adopted which provided for one-time lump sum cash payments to be made by March 1, 2020, to certain retired participants who were receiving annuity payments; and

WHEREAS, these lump sum cash payments were not made; and

WHEREAS, it is now desirable that the PPI Committee recommend to the District Board of the MDC that it adopt an amendment to the Retirement Plan which provides for one-time lump sum cash payments to be made by October 15, 2020, to certain retired participants who are currently receiving annuity payments rather than the one-time lump sum cash payments that were to have been made to particular Retired Participants by March 1, 2020,

NOW, THEREFORE, BE IT

RESOLVED: That the PPI Committee does hereby recommend to the District Board that it adopt Amendment No. 12 to the Retirement Plan in substantially the form presented to this meeting, together with any modifications that are determined by counsel for the MDC to be necessary or desirable to effectuate the intention thereof and to comply with the requirements of the Internal Revenue Code of 1986, as amended; and further

RESOLVED: That the chief executive officer of the MDC or any other officer designated by the chief executive officer be, and each of them hereby is, authorized and empowered, for and on behalf of the MDC, to take any and all actions which may be necessary or desirable to effectuate the intention of the foregoing resolution.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

**AMENDMENT NO. 12 TO THE
RETIREMENT PLAN FOR EMPLOYEES OF
THE METROPOLITAN DISTRICT**

WHEREAS, The Metropolitan District, a governmental entity organized under the laws of the State of Connecticut, previously adopted Amendment No. 11 to the Retirement Plan for Employees of The Metropolitan District (the "Plan"), effective January 1, 2020, and

WHEREAS, said Amendment No. 11 to the Plan provided for one-time lump sum cash payments to be made to certain Retired Participants by March 1, 2020, pursuant to Appendix D of the Plan, and

WHEREAS, these one-time lump sum cash payments were not made, and

WHEREAS, The Metropolitan District now wants to have one-time lump sum payments made from the Plan to particular Retired Participants in place of the one-time lump sum cash payments that were to have been made to certain Retired Participants by March 1, 2020,

NOW, THEREFORE, The Metropolitan District has adopted this Amendment No. 12 to the Plan in order to revise Appendix D of the Plan as follows, effective as of January 1, 2020:

1. The Plan shall be amended by deleting Appendix D thereto and substituting therefor the following new Appendix D:

"2020 ONE-TIME PAYMENTS - APPENDIX D

Section D.1. A Retired Participant who is receiving annuity payments from the Plan in August 2020 pursuant to which his or her total, monthly gross payments are less than \$1,500 shall receive a one-time lump sum cash payment equal to \$1,000, provided that he or she first became a Retired Participant prior to January 1, 1999.

Section D.2. Each one-time lump sum cash payment that is to be made under this Appendix D shall be distributed to the appropriate Retired Participant no later than October 15, 2020. When determining whether a Retired Participant is receiving annuity payments from the Plan for purposes of this Appendix D, payments under any form of annuity permitted under the Plan shall be recognized. A lump sum payment shall be made to a Retired Participant under this Appendix D irrespective of an annuity form of payment being in effect with respect to his or her Plan benefit."

Witness

THE METROPOLITAN DISTRICT

By _____
Title: _____
Date: _____

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

EMPLOYEE WELLNESS PROGRAM

Kadian Cohen, HR Generalist, gave an update on the employee wellness program.

POTENTIAL DAYCARE PROGRAM FOR EMPLOYEES

Jamie Harlow, Manager of Labor Relations, gave an update on the potential daycare program for employees and the results of employee questionnaires.

SALE OF MASS MUTUAL RETIREMENT PLANS INCLUDING DISTRICT'S 457b PLAN

Commissioner Sweezy discussed the sale of Mass Mutual retirement plans and its effect on the District's 457b plan. He proposed that the employee 457b subcommittee consider going out to bid for a 457b provider.

RETIREE LIFE INSURANCE BUYOUT

Bob Zaik, Director of Human Resources, and Jamie Harlow, Manager of Labor Relations, presented on the retiree life insurance buyout option.

COMMISSIONER COMMENTS & QUESTIONS

Commissioner Currey requested that meeting materials be sent out in advance with the agendas.

ADJOURNMENT

The meeting was adjourned at 1:55 PM

ATTEST:



John S. Mirtle, Esq.
District Clerk

October 20, 2020

Date Approved

PERSONNEL, PENSION AND INSURANCE COMMITTEE**SPECIAL MEETING****The Metropolitan District**

555 Main Street, Hartford

Tuesday, October 20, 2020

Present: Commissioners Donald Currey, Byron Lester, Maureen Magnan, Alphonse Marotta, Dominic Pane, Bhupen Patel, Raymond Sweezy, Alvin Taylor and District Chairman William A. DiBella (9)

Absent: Commissioners John Avedisian, Daniel Camilliere, and Pasquale J. Salemi (3)

Also

Present: Scott W. Jellison, Chief Executive Officer
Christopher Stone, District Counsel
John S. Mirtle, District Clerk
Kelly Shane, Chief Administrative Officer
Christopher Levesque, Chief Operating Officer
Christopher Martin, Chief Financial Officer
Robert Zaik, Director of Human Resources
Jamie Harlow, Manager of Labor Relations
Carrie Blardo, Executive Assistant to the CEO
Victoria Escoriza, Executive Assistant
David Silverstone, Independent Consumer Advocate
Becky Sielman, Milliman Inc.
Yelena Pelletier, Milliman Inc.

CALL TO ORDER

Chairman Taylor called the meeting to order at 12:02 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 September 21, 2020 were approved.

OPEB AND PENSION ASSUMPTIONS

Becky Sielman of Millian Inc. gave a presentation on OPEB and Pension Assumptions.

Commissioner Sweezy made a motion to decrease the pension discount rate from 7% to 6.875% and to adopt the revised mortality tables PUB 2010 effective for the January 1, 2020 valuation.

***The resolution was adopted by majority vote of those present.
Commissioner Currey Opposed.***

Commissioner Currey made a motion to increase the OPEB discount rate from 4% to 6.875% and to adopt the revised mortality tables PUB 2010 effective for the January 1, 2020 valuation.

The resolution was adopted by unanimously.

APPROVAL OF OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST INVESTMENT POLICY & GUIDELINES

To: Personnel, Pension and Insurance Committee for consideration on October 20, 2020

In November 2019, the Board of Finance recommended to the District Board commencing a ten (10) year prefunding phase-in of the District's OPEB Trust starting in the 2020 budget. In July 2020, the Personnel, Pension & Insurance Committee and District Board authorized the Chief Executive Officer to amend the existing contract with Dahab Associates Inc. as the pension investment advisor to include investment consulting services for the District's OPEB Trust. Dahab Associates Inc. drafted the enclosed OPEB Trust Investment Policy & Guidelines and recommends adoption of said policy by the District.

It is therefore RECOMMENDED that it be

VOTED: That the Personnel, Pension & Insurance Committee recommends to the District Board passage of the following resolution:

RESOLVED: That the District Board hereby approves the attached Other Post-Employment Benefits Trust Investment Policy & Guidelines and authorizes staff to implement and administer said Policy.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

No action was taken on agenda item #5, “Approval of OPEB Investment Policy”

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

Judy Allen of West Hartford spoke regarding the meeting technology and stated that it is difficult to follow along with the meetings. She asked whether motions can be made for items not on the agenda at special meetings.

COMMISSIONER COMMENTS & QUESTIONS

Commissioner Sweezy stated that all motions made at the meeting were items on the agenda.

ADJOURNMENT

The meeting was adjourned at 2:13 PM

ATTEST:


John S. Mirtle, Esq.
District Clerk

November 9, 2020

Date Approved

PERSONNEL, PENSION AND INSURANCE COMMITTEE**SPECIAL MEETING****The Metropolitan District**

555 Main Street, Hartford

Monday, November 9, 2020

Present: Commissioners John Avedisian, Donald Currey, Byron Lester, Maureen Magnan, Alphonse Marotta, Dominic Pane, Bhupen Patel, Pasquale J. Salemi, Raymond Sweezy and District Chairman William A. DiBella (10)

Absent: Commissioners Daniel Camilliere and Alvin Taylor (2)

Also

Present: Commissioner Allen Hoffman
Scott W. Jellison, Chief Executive Officer
Christopher Stone, District Counsel
John S. Mirtle, District Clerk
Kelly Shane, Chief Administrative Officer
Christopher Levesque, Chief Operating Officer
Christopher Martin, Chief Financial Officer
Susan Negrelli, Director of Engineering
Robert Schwarm, Director of Information Technology
Thomas Tyler, Director of Facilities
Robert Zaik, Director of Human Resources
Lisa Remsen, Manager of Budget and Analysis
Carrie Blardo, Executive Assistant to the CEO
Victoria Escoriza, Executive Assistant
David Silverstone, Independent Consumer Advocate
David Lee, Dahab Associates Inc.
Diana Ritucci, Workers Compensation Trust

CALL TO ORDER

Chairman Taylor called the meeting to order at 4:02 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 Pane and duly seconded,
the meeting minutes of October 20, 2020 were approved.*

WORKERS COMPENSATION

Diane Ritucci, of Workers Compensation Trust, gave a presentation on workers compensation.

PENSION INVESTMENT PERFORMANCE

David Lee, of Dahab Associates Inc., gave an update on the pension investment performance.

OPEB INVESTMENT POLICY

To: Personnel, Pension and Insurance Committee for consideration on November 9, 2020

In November 2019, the Board of Finance recommended to the District Board commencing a ten (10) year prefunding phase-in of the District's OPEB Trust starting in the 2020 budget. In July 2020, the Personnel, Pension & Insurance Committee and District Board authorized the Chief Executive Officer to amend the existing contract with Dahab Associates Inc. as the pension investment advisor to include investment consulting services for the District's OPEB Trust. Dahab Associates Inc. drafted the enclosed OPEB Trust Investment Policy & Guidelines and recommends adoption of said policy by the District.

It is therefore RECOMMENDED that it be

VOTED: That the Personnel, Pension & Insurance Committee recommends to the District Board passage of the following resolution:

RESOLVED: That the District Board hereby approves the attached Other Post-Employment Benefits Trust Investment Policy & Guidelines and authorizes staff to implement and administer said Policy.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

THE METROPOLITAN DISTRICT

OTHER POST-EMPLOYMENT BENEFITS TRUST

STATEMENT OF INVESTMENT POLICY AND GUIDELINES

OCTOBER 2020

I. Statement of Purpose

The investment management of The Metropolitan District Other Post-Employment Benefits Trust (the "Trust" or "OPEB Trust") shall follow this Statement of Investment Policy and Guidelines as adopted October, 2020.

Statutory authority for the investment program of this Trust is provided by the provisions of section 7-450 of the Connecticut General Statutes. This Statement of Investment Policy and Guidelines applies only to the OPEB Trust. This Statement of Investment Policy and Guidelines shall be reviewed at least annually, but may be amended at any time.

A. Objectives

The objective of the Trust's Investment Policy is to preserve the actuarial soundness of the Trust.. The Trust shall be for the purpose of providing funding for current and future health care benefits for eligible participants in accordance with the Trust.

B. Fiduciary Standards

In striving to attain these objectives, the Trust will be managed in a manner consistent with fiduciary standards, namely:

1. All transactions shall be in the sole interest of the participants and their beneficiaries, and
2. All investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in an expert like capacity and familiar with such matters would use in conduct of an enterprise of like character and with the same aims, and
3. All entities dealing with the Trust are required to disclose conflicts of interest as soon as they become apparent, in writing to the OPEB Board or as part of a public meeting when the problem becomes apparent.

The OPEB Board, as described below, or the Trust Administrator acting on the Board's behalf, shall make its decisions solely for the benefit of plan members. All entities dealing with the Trust must conduct themselves in a manner worthy of the public trust, keeping in mind that the Trust is subject to public review and evaluation.

II. Roles and Responsibilities

All parties serving the Trust at the date of the original adoption of this Statement of Investment Policy and

Guidelines have 60 days to be in compliance with its provisions, or to notify the OPEB Board in writing as to why they cannot be in compliance.

A. OPEB Board

The District Board (the “OPEB Board” or “Board”), or the Trust Administrator acting on the Board’s behalf, has the responsibility of establishing and maintaining policies for all aspects of the Trust including:

- Setting of investment policy;
- Performing asset allocation for the Trust;
- Selecting, evaluating, and replacing investment professionals.

The Board, or the Trust Administrator acting on the Board’s behalf, may select other professionals to assist in its duties.

B. Trust Administrator

The Metropolitan District has delegated the responsibility to its Personnel, Pension & Insurance Committee to plan, organize, and administer the operations of the Trust under broad policy guidance from the Board. These operations include but are not limited to accounting; administration of investments, attorneys, accountants, actuaries, consultants and investment oversight.

C. Actuary

The Board, or the Trust Administrator acting on the Board’s behalf, will select an actuary to perform a valuation of the OPEB Trust as often as needed.

D. Investment Consultant

The Board, or the Trust Administrator acting on the Board’s behalf, may engage an investment consultant. The investment consultant will give an independent perspective on the Trust, help select custodians and investment managers, review asset allocation, provide investment performance measurement, and assist in constructing a portfolio that will have the potential of earning the actuarial rate of return with a high probability of success while muting as much volatility as possible.

The investment consultant is expected to attend meetings of the Board as needed and to perform asset allocation studies as needed.

The investment consultant will acknowledge in writing that he is a fiduciary of the plan relative to the provided services.

E. Custodian

The Custodian will hold all cash and securities or evidence thereof. The Custodian will be responsible for maintaining records, providing fund accounting and other services as defined in its contract.

The Custodian may not engage in financial transactions related to the Trust that are based on written or oral instructions from any person other than the Board, or the Trust Administrator acting on the Board’s behalf.

F. Investment Managers

In managing assets for the Trust, the Board, or the Trust Administrator acting on the Board's behalf, may engage the services of investment managers. Investment managers buy and sell securities according to guidelines established for their particular asset class.

Investment managers are to acknowledge in writing that they are fiduciaries of the plan relative to provided services.

III. Other Post-Employment Benefits Trust

The OPEB Board, or the Trust Administrator acting on the Board's behalf, has three tasks to accomplish in managing the Trust: first, to adopt a realistic actuarial rate of return for the Trust; second, to recommend the level of contributions needed to keep the Trust financially sound; and third, to construct a portfolio that will have the potential of earning the actuarial rate of return with a high probability of success while muting as much volatility as possible.

The Board, or the Trust Administrator acting on the Board's behalf, shall exercise an appropriate level of due diligence with respect to all aspects of the investments in the Trust, development of the asset allocation structure, selection of external investment managers and the monitoring of investment performance.

The Board, or the Trust Administrator acting on the Board's behalf, is aware that mutual funds and other commingled vehicles have separate guidelines and/or prospectuses. When employing such vehicles, the Board, or the Trust Administrator acting on the Board's behalf, acknowledges that those separate guidelines and/or prospectuses shall supersede the guidelines that follow.

A. Manager Responsibility

Managers of funds administered under the Trust must acknowledge fiduciary responsibility relative to their work with the plan. Managers shall be held to the prudent expert standard articulated in Section I.B.2. above.

B. Trust Characteristics

In constructing portfolios for the Trust, the Board, or the Trust Administrator acting on the Board's behalf, should consider the following characteristics.

1. Liquidity

The Trust should have liquidity to meet its cash flow needs. Individual investments may have limited liquidity so long as they do not interfere with the operation of the Trust as a whole. At plan inception, the cash flows are very strong. Cash inflows are expected to significantly exceed benefit payouts and expenses for the near future. The Board, or the Trust Administrator acting on the Board's behalf, acknowledges the most liquid investments come at a cost of lower expected return. As the Trust grows, some investments may be selected with limited liquidity if expected returns exceed those of the more liquid investments then available.

2. Diversification

Assets should be diversified among asset categories, sectors, and geographic areas to minimize volatility. In the initial phases of the Trust, diversification may be simplified.

3. Time Horizon

The time horizon of the Trust is perpetual. In projecting returns for the Trust, the Board may consider

information from recent history (20 years), long-term history (about 70 years) or some combination of the two. The Board, or the Trust Administrator acting on the Board's behalf, must judge what data gives the best estimate for future returns by applying evidence from the past to current circumstances.

4. Risk Tolerance

The primary investment emphasis of the Trust is to meet the actuarial rate of return. However, a secondary goal is to preserve capital and achieve consistency of results. The Board, or the Trust Administrator acting on the Board's behalf, should strive to attain these secondary goals while still meeting the actuarial rate of return.

The Board, or the Trust Administrator acting on the Board's behalf, recognizes that risk is present in all investments. The assumption of risk is needed to achieve satisfactory long-term results. It is the responsibility of the Board, or the Trust Administrator acting on the Board's behalf, to manage the tradeoff between risk and return given the projected needs of the Trust, always attempting to minimize risk of the overall portfolio for any given level of return.

The Board, or the Trust Administrator acting on the Board's behalf, recognizes the initial cash flows are modest, but will increase over time and that the duration of payouts exceeds that of contributions.

5. Asset Allocation

An asset allocation study should be periodically performed. The study requires a projection of cash flows, which are dependent on contributions made into the Trust and disbursements made from the Trust in the form of benefits and expenses. The purpose of the asset allocation study is to understand the trade off between risk and return, and to aid in the construction of a portfolio that has a high probability of earning the actuarial rate of return but achieves this goal with a minimum of volatility.

6. Rebalancing

Once policy targets for the asset allocation are set in the asset allocation study, the Board, or the Trust Administrator acting on the Board's behalf, should instruct the Administrator, in conjunction with the investment consultant, to rebalance the Trust quarterly in an effort to keep the asset allocation in line with the policy target. A rebalancing policy as it applies to the most current asset allocation is contained in the asset allocation addendum.

C. Investment Alternatives

Investment alternatives are divided into four broad categories: fixed income, domestic equity, international equity and alternative investments.

Fixed income investments shall be used primarily to provide stability of principle. Domestic equity and international equity may be added to enhance return. Alternative investments may be added to enhance return, and to provide diversification that will reduce volatility.

D. Performance Standards

Each manager hired will be assigned a benchmark. Active managers are expected to exceed their benchmark net of fees, and to perform in the upper half of a universe of managers in a similar style over a market cycle. Passive managers are expected to track their respective benchmarks with minimal tracking error. Guidelines for each of the asset classes are outlined in the next section.

IV. Manager Guidelines

A. Fixed Income Managers

1. Investment objective. Active bond managers are expected to exceed the assigned benchmark appropriate to their style, and to perform in the top half of a universe of similar portfolios. The benchmark used for comparison should be assigned to the manager as part of the selection process.
2. Permissible securities. Fixed income managers may invest in U.S. Government and agency bonds, U.S. domestic corporate bonds, asset-backed and mortgage-backed securities, and convertible bonds.
3. Non-permissible securities. Fixed income managers are prohibited from investing in equity securities (except for term trusts) and municipal bonds. Fixed income managers are also prohibited from investing in commodities, unregistered letter stock, foreign securities (other than those evidenced by American Depository Receipts which are listed on the New York Stock Exchange (NYSE), warrants, loans of portfolio securities, venture capital issues and private placements.
4. Non-permissible transactions. Fixed income managers are prohibited from purchasing securities on margin or selling short.
5. Cash balances. Managers are expected to remain fully invested. However, the decision to maintain cash balances is left to the manager's discretion, keeping in mind that the benchmark will be applied to the manager's total portfolio and not just to the non-cash portion. Managers should inform the Board and the Trust Administrator within 10 business days if cash balances exceed 10%. Cash and equivalents may be invested in commercial paper rated A1 or P1, repurchase agreements, U.S. Treasury Bills and money market fund.
6. Marketability. Fixed income securities should be readily marketable.
7. Diversification. Fixed income obligations of any one issuer, other than securities subject to the guarantee of the United States government or any of its agencies, should represent no more than 5% of the aggregate fair market value of a manager's portfolio.

B. Domestic Equity Managers

1. Investment Objective. Active equity managers are expected to outperform a benchmark appropriate to their style (value, core or growth) and market capitalization (large, mid and small). In addition, active equity managers should be ranked in the upper half of a universe of similar portfolios. Passive equity managers are expected to track their appropriate benchmark.
2. Permissible securities. Equity managers may invest in common stocks, convertible securities, and American Depository Receipts (ADRs) for listed securities of foreign corporations. Listed securities are those traded on the NYSE, American Stock Exchange (AMEX) and National Association of Securities Dealers Automated Quotation System (NASDAQ) exchanges. Any investment in convertible debentures must carry an investment grade rating of "A" or better. Securities purchased should come from the universe of their benchmark – or closely resemble them. For example, a large cap value manager should largely purchase large cap value securities. However, it is acceptable to purchase a modest amount of mid cap value or large cap growth as long as the characteristics and the performance of the fund generally resemble those of a large cap value fund.
3. Non-permissible securities. Equity managers may not invest in foreign securities other than those defined above, fixed income securities, commodities, unregistered letter stock, warrants, real estate mortgages, all options and futures, real or personal property, oil and gas property, loans of portfolio securities, venture capital issues, private placements, securities of a contributing employer, and derivatives. Derivatives include collateralized mortgage obligations, interest-only

and principal-only strips, and currency swaps or other specialized investment activities.

4. Non-permissible transactions. Except with the written consent of the Board, or the Trust Administrator acting on the Board's behalf, equity managers may not purchase securities on margin or sell short.
5. Cash balances. Managers are expected to remain fully invested. However, the decision to maintain cash balances is left to the manager's discretion, keeping in mind that the benchmark will be applied to the manager's total portfolio and not just to the non-cash portion. Managers should inform the Board and the Trust Administrator within 10 business days if cash balances exceed 10%. Cash and equivalents may be invested in commercial paper rated A1 or P1, repurchase agreements, U.S. Treasury Bills and money market fund.
6. Marketability. Securities should be marketable. It is understood that small- and mid-capitalization stocks offer less liquidity than more widely held securities.
7. Diversification. Equity investments by a Manager in any single corporation shall be limited to no more than 5% of the Manager's total portfolio based on the fair market value of the portfolio at the time of purchase, and no more than 10% of the Manager's total portfolio at any quarterly valuation. The portfolio should also be appropriately diversified by industry sector. The manager should inform the Board and Trust Administrator in writing of any violation within 10 business days of its occurrence.
8. Income. There are no minimum yield or dividend requirements.

C. International Equity Managers

1. Investment objective. Active international equity managers are expected to outperform a benchmark appropriate to their style. In addition, active international equity managers should be ranked in the upper two quartiles of a universe of similar portfolios.
2. Permissible securities. International equity managers must invest in securities of companies not domiciled in the United States, including common stocks traded on any major stock exchange or ADRs traded in the United States, global depository receipts (GDRs) and preferred stocks traded on any major stock exchange. International equities include equities of both developed countries and emerging markets.
3. Non-permissible securities. Foreign equity managers may not invest in equities of U.S.-domiciled companies, fixed income securities, commodities, unregistered letter stock, warrants, real estate mortgages, all options and futures, real or personal property, oil and gas property, loans of portfolio securities, venture capital issues, private placements, securities of a contributing employer, and derivatives. Derivatives include collateralized mortgage obligations, interest-only and principal-only strips, and currency swaps or other specialized investment activities.
4. Non-permissible transactions. Except with the written consent of the Board or the Trust Administrator acting on behalf of the Board, equity managers may not purchase securities on margin or sell short.
5. Cash Balances. Managers are expected to remain fully invested. However, the decision to maintain cash balances is left to the manager's discretion, keeping in mind that the benchmark will be applied to the manager's total portfolio and not just to the non-cash portion. Managers should inform the Board and Trust Administrator within 10 business days if cash balances exceed 10%. Cash and equivalents may be invested in commercial paper rated A1 or P1, repurchase agreements, U.S. Treasury Bills and money market fund.
6. Marketability. Securities should be marketable. It is understood that international equity securities, especially in emerging markets, offer less liquidity than more widely held securities.

7. Diversification. Equity investments by a Manager in any single corporation shall be limited to no more than 5% of the manager's total portfolio based on the fair market value of the portfolio at the time of purchase, and no more than 10% at any quarterly valuation. The portfolio should also be appropriately diversified by industry sector. The Manager should inform the Board and Trust Administrator in writing of any violation within 10 business days.
8. Income. There are no minimum yield or dividend requirements.

D. Alternative Investments

Alternative investments should be considered with the goal of increasing the return of the portfolio without increasing risk, or lowering risk of the overall portfolio without lowering return.

If the Board, or the Trust Administrator acting on the Board's behalf, allocates part of the portfolio to an alternative asset class, separate investment guidelines specific to that asset class shall be adopted.

V. Manager Guidelines

Investment managers may not act upon written or oral instructions from any person other than the Board, or the Trust Administrator acting on behalf of the Board.

A. Discretionary Authority

Managers are given full discretion to act in accordance with the Statement of Investment Policy and Guidelines. In placing portfolio transaction orders on behalf of the Trust, each manager shall obtain execution of orders through responsible broker/dealers at the most favorable prices and at competitive commission rates, taking into consideration the efficiency of execution of the transaction.

B. Reporting

1. Within 14 calendar days a manager must inform the Board and the Trust Administrator of changes in organizational structure, ownership, or key personnel. Also a Manager must inform the Board and Trust Administrator of material litigation brought by a client or former client relating to investment advisory services, or any enforcement proceeding by a regulatory agency that would have a material effect on the manager, within 14 calendar days after the manager has been notified of the litigation or the enforcement proceeding.
2. On a monthly basis each manager is to submit a portfolio statement to the Board and trust Administrator. The monthly statement should include market and book values for all security holdings and performance results compared with the designated benchmark.
3. On a quarterly basis each manager is to submit a brief letter or report to the Board and Trust Administrator on the status of and outlook for his or her portfolio. The report should address the following:
 - Economic investment and outlook;
 - Investment strategy (short- and intermediate-term)
 - Explanation of any high concentrations in any one sector or security;
 - A list of portfolio holdings or a summary of the largest holdings;
 - Commissions on trades upon request;
 - Market and book values for all security holding;
 - Performance results compared with designated benchmarks;

- Brokerage commission reports (if any);
- Turnover ratio;
- Derivative use;
- Quality ratings with average quality (for fixed income portfolios).

4. On an annual basis each manager may be required to submit an annual proxy voting report and the filing of Form ADV with the Securities and Exchange Commission.

C. Proxy Voting

The Board requires that managers exercise authority with regard to proxy voting, acting solely in the interest of and for the exclusive purpose of providing benefits to participants and beneficiaries, and always acting in the best interests of participants and beneficiaries. With regard to corporate governance, proxy votes should be against proposals to limit or eliminate liability for violation of duty of care and to indemnify directors in instances of gross negligence.

Managers shall be able to provide, upon request, an annual proxy voting report that shall include the following:

- Summation of all votes cast;
- Affirmation that all stock holdings with votes due were voted;
- Description of proposed changes in proxy voting policies;
- Confirmation that all votes cast were consistent with policy;
- Explanation of any violation of the previous requirements.

D. Cost Management

1. Turnover. The Board acknowledges that in the course of a year, investment conditions and opportunities will require managers to buy and sell securities on the Board's behalf. While the Board does not wish to inhibit the normal transactions executed by the managers, it does wish to be made aware of the need for any high levels of turnover to avoid churning the portfolio. The following reporting requirements are therefore for control purposes and are not necessarily intended to limit portfolio turnover to the stated limits.

- Turnover is defined as the lesser of total purchases or sales divided by opening balance. Convertible bonds are considered equity surrogates and are subject to the discussions for common stocks. Preferred stocks are considered perpetual bond surrogates and are subject to the discussions for corporate bonds.
- Equity turnover. Within five business days of the time in any calendar quarter in which the cumulative equity turnover during the quarter exceeds 30%, or within any calendar year in which the cumulative equity turnover exceeds 100%, the manager must submit a report to the Board and the Trust Administrator stating the reason for the turnover as well as a list of any brokerage firms whose fees during the quarter or year exceeded \$10,000.
- Fixed income turnover. Within five business days of the time in any calendar quarter in which the cumulative fixed income turnover during the quarter exceeds 100% or within any calendar year in which the cumulative fixed income turnover exceeds 200%, the manager must submit a report to the Board and Trust Administrator stating the reason for the turnover as well as a list of any brokerage firms handling more than 20% of the subject trades. U.S. government securities, used as collateral as part of the repurchase agreements, are exempt from this requirement.
- Turnover may be considered as one factor in the money manager selection and retention process.

2. Broker Relations. The manager is free to execute trades whenever it is in the best interests of the Trust, and will have the discretion to execute transactions with brokerage firms of his or her choosing.
 - The selection of a broker should be based on the quality of executions. Factors affecting the quality of executions include the financial health of the brokerage firm, the business integrity of the brokerage firm, commission costs and overall efficiency.
 - Commission dollars are a Trust asset and should not be used for purposes other than those that directly benefit Trust participants. The investment manager is required to provide reports and descriptions of all soft dollar arrangements involving the use of commission dollars to acquire resources of any type.

VI. Execution of Investment Policy

IN WITNESS WHEREOF, this document has been approved and executed by the undersigned on this

_____ day of October __, 2020

Metropolitan District of Connecticut Other Post-Employment Benefits Trust

Date: _____

By: _____
Trust Administrator

By: _____
Board Chairman

ADDENDUM

ASSET ALLOCATION

The Board has currently adopted the following asset allocation at market value:

	<u>Allocation</u>	<u>Range</u>
Large Cap Equity	65%	+/- 10%
Fixed Income	35%	+/- 10%

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

INSURANCE RENEWAL

Christopher Martin, Chief Financial Officer, gave a presentation regarding insurance renewal.

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

No one from the public appeared to be heard.

ADJOURNMENT

The meeting was adjourned at 4:45 PM

ATTEST:


John S. Mirtle, Esq.
District Clerk

January 13, 2021

Date Approved

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To

MINUTES OF THE PERSONNEL, PENSION & INSURANCE COMMITTEE

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