

Pension Plan A Trustees Meeting of October 12, 2022

Trustees Present: Kenneth Flatto, Terri Coward

Absent: Joseph Ganim

Others Present: Deva Caviness, John Oliver Beirne

Pension Plan A Meeting was called to order by Chair Flatto at 1:01 PM

The first order of business was review and approve of minutes from April 13, 2022 meeting. Motion was made by Terri to approve the minutes, second by Ken. Motion carried unanimously.

Trustee Flatto briefed the Board on a short presentation made to the Budget & Appropriations Council Meeting, as they requested a report at their meeting of Tuesday, October 11, 2022. Council Members were briefed on Pension Plan A solid relative portfolio performance and actuarial budget info by John Oliver & Ken Flatto.

Second Item of Business: Beirne Associates provide an updated on the portfolio update through September 30, 2022. John Oliver reviewed global markets and equities, down 25% around the world in 2022. The U.S. he said is down slightly less than other markets. Most of the portfolio on the equity side are in U.S. stock markets. there is only an 8% in the international market. In the right place, on the equity side.

On Fixed income, John Oliver said the problem for pension funds, or any investor, is that when rates rise sharply bond and equity markets move down aggressively. The bond market is not allowing for any relief with the aggregate Corporate Bond Indexes down 14.5%, Government Credits down 30%, and Real Estate down 28%. Markets are bad and still quite concerning, he said. However John Oliver stated that our portfolio has held up superbly and is down on 13.78% year to date. He has invested some cash in T bills at over 3%.

He said Plan A outperformed most other public Pension funds and is in top 25% of nationwide Pension funds. This is the worse market since 2008/2009 but we have done a prudent job at protecting the assets.

Ken asked at what point should we consider buying equities and John Oliver said not yet, with small / mid cap rally attempts end up down overall and any stock rallies are very concentrated in biggest stocks which is still a bad sign.

Ken inquired into Real Estate values with our funds. John Oliver said they have not taken any losses and have been stable, earning 6 ½-7% in the GSA fund, and 7 ½-8% in the state realty fund.

Ken mentioned that Police/Fire pensions have increases when labor contracts are settled and so there will be some increase in retiree payments soon.

Ken asked if there are any other markets worth an inquiry. John Oliver mentioned Loan Credit Funds in middle Market lending on 3-7 year loans. Ken and Terri indicated they were open to investing up to \$3 million in such a fund and John Oliver said he would send documents.

Terri made a motion to adjourn the meeting at 1:25, second by Ken. Meeting adjourned.