



WARWICK RETIREMENT SYSTEM

WARWICK CITY HALL, 3275 POST ROAD
WARWICK, RI 02886

RETIREMENT BOARD MEETING

September 21, 2022

The Retirement Board Meeting of September 21, 2022, was held in person at the Warwick Public Library, 600 Sandy Lane, Warwick, RI 02889

MEMBERS PRESENT:

Peder Schaefer
Walter Hartley
Alfred Marciano
Brian Dunckley

August Cote
Timothy Howe
Jeanne Muto-Kyle

Neal DuPuis
Steven Rotondo
Timothy Howe

MEMBERS NOT PRESENT: Joseph Cavanaugh, Scott Lajoie.

ALSO IN ATTENDANCE:

Anthony Tranghese via ZOOM Patricia Channell Lynn Costa Mike Ursillo Lynne Prodger

1. Meeting was called to order at 3:35 PM.
2. Minutes of the Previous Meeting 6/22/22.

Open minutes of the Retirement Board meeting of June 22, 2022, were brought before the board for review and approval.

MOTION: Walter Hartley

To approve the Retirement Board Open Minutes of the meeting June 22, 2022, as presented.

Seconded by Brian Dunckley and approved unanimously by the Board Members present.

*Of note, Timothy Howe was not present for the vote.

3. Custodian Recommendation:

There were three proposals: Principle, Northern Trust and US Trust. Northern Trust was unable to complete the transition by January 1, 2023, so that proposal was eliminated. The two remaining proposals met the requirements. On September 9, 2022, members of the departments of Finance and Personnel, and Board member Jeanne Muto-Kyle, met to evaluate the two remaining proposals. The selection group recommended Principle, based the proposals, recommendations from other systems that contract their services, and counsel from Tony Tranghese who has worked with Principle on the custodial side of it. Joe DePalma of Principle was invited to the Retirement Board Meeting today to answer any questions.

After some discussion, a motion was made to select Principle as the new pension custodian for the City of Warwick.

MOTION: Jeanne Muto-Kyle.

To select the new pension custodian as Principle.

Seconded by Neal DuPuis and approved unanimously by the Board Members present.

*Of note, Timothy Howe was not present for the vote.

4. Quarterly Performance Report:

Tony spoke of the second quarter report. The investment policy statement review was affirmed by the Board last year in September 2021. Tony feels that the investment policy statement is a well written statement that covers all the bases. There are no liquidity guidelines in the portfolio. Almost everything in the portfolio can be liquidated in a day, the longest would be one month. The asset allocation table was updated in March 2022. There were no questions on the policy statement today or how it is constructed.

MOTION: Walter Hartley

To approve the investment policy statement as presented.

Seconded by Peder Schafer and approved unanimously by the Board Members present.

*Of note, Timothy Howe was not present for the vote.

The returns for the YTD – Everything was negative for the quarter, and for the first 6 months of the year except for commodities. In the second quarter, ending June 30, 2022, combined assets of the plans contracted by about 12.5%. This is not surprising given the market conditions. The portfolio is not overexposed to any particular risk segment in the market this year. Tony said the average bear market lasts approximately 14 months, the average timeframe for a bull market is 72 months. Tony feels that the broad diversification that the portfolio plan has will participate when we do see markets begin to turn around. The Fed increased interest rates; inflation continues to be at very high levels.

The fiscal year to date return for the Municipal pension was negative 15%. The 3 prior fiscal years were above the actuarial assumptions.

August report: Most of the asset classes were negative. Core bonds still down about 10.8%, equities a bit off, but still down in the high teens. Commodities – best place to be; real assets held up okay. Difficult to find asset classes that produce positive returns in this period of time.

At the end of August, the municipal plan was \$146.3 million. From a return perspective, this quarter the portfolio is up a little over 2%; YTD still down around 15%.

Wellington Diversified Inflation Hedges – they have 5% of our investment. Over the last year or so it has done a good job of adding value. It has been by far the best performing piece of the portfolio compared to all the other pieces.

Tony is not making any recommendation for changes at this time. They will certainly keep an eye on the markets; if Tony feels there are opportunities that arise or changes that need to be made, we know there is an avenue to make those intermeeting if need be.

It was brought up by one of the Board Members that Wellington has underperformed the index pretty substantially.

There was some discussion of moving some assets from Euro Pacific to Fidelity; however, it was decided to leave the assets as allocated, and discuss it at the next meeting.

5. Interest to be applied to contributions left in the Plan.

This is normally done in June, however, it was not. Therefore, it was voted on at this meeting. It is historically set at the 3 month T-bill rate, and on the day before our June meeting. The day before the June meeting was June 21, 2022. On that day, the T-bill rate was 1.7%.

Motion: Jeanne Muto-Kyle

To adjust the interest rate to 1.7% as of June 22, 2022.

Seconded by Brian Dunckley and approved by all members present.

6. Retirements:

DATE OF RETIREMENT	RETIREE	YEARS OF SERVICE	TYPE OF PENSION	AMOUNT OF PENSION
8-1-2022	Jeffrey Wheeler	18 years, 6 months	Normal	\$2,172.83
8-1-2022	Colleen Burg	5 years, 3 months (age 65)	Normal	\$396.25
8-1-2022	John Cole	24 years, 7 months	Normal	\$3,810.37
9-1-22	Gene Kelly (councilman)	6 years	Normal	\$225.00

Motion: August Cote

To accept the retirement applications as submitted

Seconded by Walter Hartley and approved by all board members present.

7. **Death Benefits**: There were two death benefits paid out totaling \$16,000 since the last retirement board meeting of June 22, 2022.

Robert Barrett
Doris Williams

8. **FIA INVOICE (quarter ending 6/30/2022)**

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PAID INVOICE:			
Fiduciary Investment Advisors			
Date:	Invoice:	Description:	Amount:
6/30/2022	96_06302022	FIA Quarterly Invoice	\$10,253.55

Motion: Walter Hartley

To approve the FIA Invoice as presented.

Seconded by Jeanne Muto-Kyle and approved by all board members present.

9. **Discussion of Litigation regarding SNAP.**

Motion: Brian Dunckley

That the Retirement Board Meeting go into **closed** session pursuant to the exception provision R.I.G.L. 42-46-5-(a)(2) of the Open Meetings Law regarding the discussion of litigation.

Seconded by Walter Hartley.

Roll Call:

August Cote – yes, Neal DuPuis – yes, Brian Dunckley – yes, Timothy Howe – yes, Alfred Marciano – yes, Jeanne Muto-Kyle – yes, Steven Rotondo – yes, Peder Schaefer – yes, Walter Hartley –yes.

Not present: Joseph Cavanaugh and Scott Lajoie.

REFER TO CLOSED SESSION MINUTES

During the closed session, there was no vote made

The minutes of the executive session minutes of the September 21, 2022, Retirement Board Meeting will remain sealed because they contain discussion of a litigation.

Motion: Walter Hartley

To Seal the Closed minutes of the September 21, 2022, Retirement Board Meeting.

Seconded by Peder Schafer.

Roll Call:

August Cote – yes, Neal DuPuis – yes, Brian Dunckley – yes, Timothy Howe – yes, Alfred Marciano – yes, Jeanne Muto-Kyle – yes, Steven Rotondo – yes, Peder Schaefer – yes, Walter Hartley – yes.

Not present: Joseph Cavanaugh and Scott Lajoie.

10. Adjournment:

Motion: Neal Dupuis

To adjourn the retirement board meeting of September 21, 2022.

Seconded by Peder Schaefer and approved by all members present.

Respectfully Submitted,

Steven M. Rotondo