



**Cheshire Retirement Board
Meeting Minutes
November 4, 2020
Cheshire Town Hall
84 South Main Street
Cheshire, Connecticut 06410
Council Chambers; 6:00 p.m.**

In attendance were Chairman Michael Evans, members Paul Shay, Dennis Flagg, and Mark Izzo, Police Department representative Kevin Costa and Steve Jester, Fire Department representative Robert Shalagan, Finance Director James Jaskot, David Borowy, Town Council Liaison (arrived at 6:10 p.m.), Ross Charkatz and Amanda Thome (by phone) of Graystone Consulting.

1. Call to Order

Chairman Michael Evans called the meeting to order at 6:00 p.m.

2. Roll Call and Determination of a Quorum.

Chairman Michael Evans called the roll and a quorum was determined.

3. Pledge of Allegiance.

All present recited the Pledge of Allegiance.

4. Approval of Minutes for August 13, 2020 meeting.

MOTION: Mr. Izzo made a motion to approve the minutes from the meeting

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on August 13, 2020. Mr. Shay seconded the motion which was approved unanimously.

5. Old Business

There was no old business to report.

6. New Business:

a. Investment Update and Market Comments

Mr. Charkatz made no recommendations at this time. Thus far in 2020, we have seen the end of the longest market cycle on record, the sharpest market decline since 2008, the largest subsequent market rally since the Great Depression, and more days with a large price swing than occurred during all of 2008. Year-to-date, market recovery from March 2020 lows indicate a defensive undertone across Tech, Treasuries, and Gold markets. The S&P 500 has outperformed again this year, based largely on highly weighted index constituents. Central Bank Support is a key reason why a market recovery (V shape recovery) would resemble a 'normal' path as seen in prior recessions. The worst performers year-to-date are Real Estate Investment Trusts, Small Cap US stocks, and value versus growth stocks.

Mr. Evans asked about Morgan Stanley's view based on the results of the election. Mr. Charkatz said that their analysis is primarily policy-related in terms of a sweep or divided government. It is too early to determine, but a divided government probably means the least significant change to industry outlook and taxes near term.

Mr. Evans asked about Graham Absolute Return and IVA Worldwide based on what was reported in August 2020. Mr. Charkatz said that Graham Absolute Return has rallied and year-to-date is -3.29% compared to -11.9% in August 2020. It has revised its risk allocations in an effort to minimize future drawdowns. IVA Worldwide with one of the main portfolio managers having left, may be in a better position if it means decision-making is no longer driven by views that grew divergent. Graystone has not recommended any changes to client

portfolios that invest with IVA and recommended that no changes be made at this time for the Town of Cheshire. Mr. Charkatz noted that the Town of Cheshire portfolio is positioned well for the next market cycle and years ahead.

Mr. Evans asked about the performance of Illiquids and if there are any that are winding down. Mr. Charkatz said that there should be steady run-off. No new commitments are being made; no money is being added. There may be opportunity in the near future to start adding as these investments roll off.

b. Annual Review of Investment Policy Statements (IPS); Recommended Revisions

Mr. Charkatz indicated that there are four policies:

Retirement Plan for the Employees of the Town of Cheshire
Volunteer Firefighters Pension Trust for the Town of Cheshire
Other Post-Employment Benefits (OPEB) Trust Plan
Police Healthcare Post-Employment Healthcare Trust

Each portfolio is similar in structure and verbiage. Currently each has fifteen pages of documentation which Mr. Charkatz recommends consolidating into six pages (including covers) and clearly noting individual characteristics and assumptions for each. No integrity will be lost or compromised. The six page draft, pages 32 - 37 in the packet, will be reviewed by the board members and discussed at the meeting in February 2021.

c. 2021 Retirement Board Calendar

MOTION: Mr. Shay made a motion to approve the 2021 Retirement Board Calendar as presented noting the "location to be determined" to be based on Covid-19 status. It was seconded by Mr. Evans and unanimously accepted by the Board members.

d. Pension Disbursements - For Information Only

e. Summary of Bills - For Information Only

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7. Public Comment

There was no public comment.

8. Adjournment

Mr. Evans made a motion to adjourn the meeting at 6:50 p.m. Motion was seconded by Mr. Flagg. All members present were in favor of the motion.

Respectfully submitted,



Dawn Guite, Recording Secretary