

**SPECIAL MEETING OF THE GENERAL  
GOVERNMENT RETIREMENT BOARD**

**April 14, 2021**

A Special meeting of the General Government Retirement Board was held on **April 14, 2021 at 5:00 p.m.** in the 3<sup>rd</sup> Floor Conference Room at City Hall, Bristol, CT. Members present: Chairman Tom Barnes, Jr., Mayor Ellen Zoppo Sassu, Vice Chairman David Preleski, Comptroller Diane M. Waldron, Commissioner's David Butkus, Orlando Calfe, Thomas DeNoto, Paul Keegan, Rose Parenti, Frank Rossi. Absent: Commissioner's Peter Dauphinais, William Veits.

Also present: Arthur Meizner and Rodger Metzger of Hooker & Holcombe.

**1. Call to Order.**

The meeting was called to order at 5:01 p.m. by Chairman Tom Barnes Jr.

**2. Item 2 – Discuss the Request for Proposal for Investment Advisor Services and to take any action as necessary.**

Arthur Meizner and Rodger Metzger, of Hooker & Holcombe, presented the results of the RFP to the Board. The RFP received 12 responses, all from high quality firms varying in size. Mr. Meizner provided a brief overview of the scoring process. Firms were evaluated and scored in five weighted categories including organization, staffing, clients, services, and fees. Focus was placed on standards and quality of the companies, overall experience and functionality of team, experience of team working with clients similar to the City of Bristol, skill and process working with pension portfolios, and fee structures, pricing and miscellaneous costs.

Organization: The majority of the firms scored within a small range of each other with DiMeo (Fiducient) scoring the highest.

Staffing: Maketa and DiMeo (Fiducient) both scored well in staffing and were ranked the top two.

Clients: Hooker & Holcombe measured the type of clients for each firm, focusing on firms with clients that have similar portfolios to the City's. Maketa performed best, followed by Segal Marco.

Services: Services were evaluated in conjunction with the City's Purchasing department to best evaluate the needs of the City. It was determined that Maketa had the strongest services, followed closely by DiMeo (Fiducient).

Chairman Barnes asked whether each of the firms were scored against each other or against a benchmark. Mr. Meizner stated that they are generally scored against each other. Hooker & Holcombe also recognized the significant size difference between some of the firms and analyzed their performances to scale. But it is important to note that bigger firms tend to have more resources/staffing, and sometimes have better access to deal flow than smaller firms.

Mayor Zoppo-Sassu joined the meeting at 5:17pm.

Fees: Dahab, Segal Marco, and Vanguard scored well in terms of fees. Maketa and Beirne Wealth scored lowest. Fees were determined in either basis points or dollar amounts. Based on an estimate of \$734 million in assets, Beirne Wealth fees are structured at 9 basis points (equivalent to about \$660,600) and Maketa fees were equivalent to about \$650,000. Ultimately, there is some negotiation flexibility in regards to fees given the size of the plan.

Overall Results: Excluding fees, Maketa was ranked highest. Followed by DiMeo (Fiducient) and then NEPC. Including fees, Segal Marco was ranked highest. Followed by DiMeo (Fiducient) and then Dahab. Beirne Wealth scored 12<sup>th</sup>. Based on the results, the four suggested finalists were Segal Marco

Advisors, DiMeo Schneider (Fiducient), Graystone Consulting, NEPC, and Beirne Wealth as the incumbent.

Chairman Barnes asked how performance metrics were measured/weighted. The RFP included a question regarding 10 year performance metrics. Several companies did not answer the question. Companies that did answer the question were fairly consistent. Specific performance questions can be included in the finalist interview process.

Vice Chairman Preleski left the meeting at 5:32pm.

Commissioner Keegan questioned Beirne's low ranking considering that their excellent performance throughout the past few years has generated significant returns to the portfolio. Mr. Metzger explained that despite their performance, they do not necessarily have the capacity to keep up with the portfolio because of their size. They are still being recommended as finalists based on their performance and institutional knowledge of the City's plan. As a follow up, Commissioner Keegan asked whether or not transition fees were taken into account in the RFP analysis. Some firms addressed the transition directly and stated that they have teams for that purpose. Other firms use third party transition teams. The pricing for any transitioning will be determined at a later time and should be included in the interview questions.

Commissioner Butkus asked if Hooker & Holcombe gave any consideration to how well these firms performed under pressure during difficult times, i.e. the 2008 recession. Mr. Metzger explained that the scoring process did not get that granular but that is something that can be looked at more closely during the interview process. However, many of these firms have evolved since then so they might not produce a statistically significant side by side comparison. Commissioner Butkus also asked about the location of the companies and whether or not a representative from the chosen company would be present at each Retirement Board meeting. Mr. Metzger explained that in person attendance at each Retirement Board meeting was a requirement for each firm.

Commissioner Rossi asked Hooker & Holcombe to provide an overview of their experience with negotiating the automatic COLA fees and expressed concerns with being tied to that particular fee with any company. Both Mr. Metzger and Mr. Meizner provided examples where the COLA fees were a negotiating factor and should be included in the interviews.

A motion was made by Commissioner DeNoto and seconded by Commissioner Butkus and it was unanimously voted to:

"Move forward with the finalists as recommended."

Interviews will be set up with each of the finalists. The meetings generally last an hour and include a 40 minute presentation followed by a 20 minute discussion period. Hooker & Holcombe will begin putting together a list of questions for the interviews and asked the board to submit any additional question that may be appropriate.

### **3. Item 3 – Adjournment.**

At 5:54 p.m. a motion was made by Commissioner DeNoto and seconded by Commissioner Butkus and it was unanimously voted to: "Adjourn."

Respectfully submitted,

*Diane M. Waldron*

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Comptroller and Secretary, Retirement Board