

Old Saybrook Pension and Benefits Board  
Thursday, January 23, 2020  
**8:30 a.m.**  
First-floor Conference Room, Town Hall

### **Regular Meeting Minutes**

#### **Attendees**

##### Members Present:

Darrell Pataska (Chair)  
Suzanne Taylor (Vice-chair)  
Lynn Dallas  
Carl Fortuna, First Selectman  
Paul Tracey (by phone)  
David Sparrow (arrived 9:58 a.m.)

##### Others Present:

Lee Ann Palladino, Finance Director and  
Pension Plan Administrator  
Janet Vinciguerra, Pension Board Liaison  
Jennifer Donahue, Board Secretary  
JT Dunn, Fire Department Liaison to the PBB  
Tom Forma, Morgan Stanley Investment Advisor  
Kevin Nichols, Morgan Stanley Investment Advisor

Absent: Rowena Moffett

#### **Welcome and Public Comment**

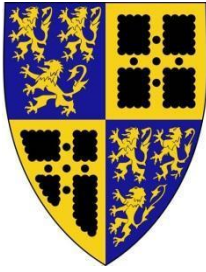
The meeting was called to order at 8:32 a.m. by Dr. Taylor.

#### **Approval of the Minutes**

The minutes of the November 21, 2019 meeting of the board were reviewed. A **motion** was made by Mr. Tracey and seconded by Ms. Dallas to approve the minutes as submitted. All were in favor and the motion was approved.

#### **Chair's Report**

Dr. Taylor addressed the board for the last time as its chair. She has been a member for 32 years and chair for more than 27 of those years. She gave a brief history of the staffing and membership of the board when it began versus present day. She also expressed thanks for Ms. Palladino's leadership over the last few years. In addition, she addressed potential future projects for the board such as consideration of an RFP for the manager of the defined contribution and 457 plans (currently ICMA). She suggested that it be an item under new business, but Mr. Fortuna proposed putting together a list of potential candidates and sending a proposal to them rather than opening up the RFP process to the general public. She also noted that it might be a good idea to do a review of healthcare costs in the Town budget as recent studies show that, in general, salary advances have not kept pace with the rate



of inflation for healthcare costs. Mr. Fortuna assured her that the Town does consider this annually. Dr. Taylor stated that she was privileged to be able to “practice what she preached” all these years as a professor while being a steward of the Town’s retirement funds.

### **Election of Officers**

A **motion** was made by Mr. Fortuna and seconded by Mr. Tracey to nominate Mr. Pataska as chair of the Pension & Benefits Board. All were in favor and the motion passed.

A **motion** was made by Mr. Fortuna and seconded by Ms. Dallas to nominate Dr. Taylor as vice-chair of the Pension & Benefits Board. All were in favor and the motion passed.

Mr. Pataska thanked the board for entrusting him with the chair’s position.

### **Pension Liaison Report**

Ms. Vinciguerra provided the Pension Payroll Status Report for December and January and reported on the DB and DC statistics. Twenty of the 30 people enrolled in the DC plan are now electing for the extra 3% contribution with a Town match. Currently, there are 85 town retirees as well as 27 fire department retirees, 7 of whom will have annuity increases as detailed in a January 5 letter from Mr. Dunn.

Mr. Fortuna asked Ms. Vinciguerra if in the future it would be possible to give a rolling 12 months of gross payroll for the Town and Fire Department in order to help spot trends. Ms. Vinciguerra agreed to provide this.

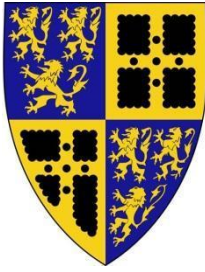
### **Investment Advisor Report**

Mr. Nichols reported that the Town pension plan is up 6.47% for the quarter ending 12/31/19 and 19.84% for the calendar year. The Fire Department plan is up 6.51% for the quarter ending 12/31/19 and 19.94% for the calendar year. They are predicting that U.S. growth will be slower the next couple of years while developed international markets and emerging markets will outpace the U.S. He also reported that every manager is beating its benchmarks and there are no non-permissible investments.

In response to a question from Mr. Pataska about what issues might need to be watched that could have an effect on the markets Mr. Forma and Mr. Nichols noted that the election, a potential recession and the China trade war could all have repercussions. However, they emphasized that the board’s strategy is on long-term investment and that the Town’s investments are positioned to be strong and resilient despite the fluctuations of the market. They also discussed the Town’s cash position and what could affect that. Mr. Forma announced that he will be retiring at the end of March and noted how much he has enjoyed working with the board.

### **Plan Administrator’s Report**

Ms. Palladino asked all board members to be thinking about issues to discuss for the IPS review in April.



Mr. Dunn asked the board to consider a minor change in the language of the Fire Department pension plan which would allow members for purposes of their pensions who had returned to active status to be able to bridge their prior service as officers or chiefs with their newly active status. A **motion** was made by Mr. Tracey and seconded by Mr. Pataska to accept the revised language. After discussion, Mr. Fortuna modified the proposed motion to recommend the revised language to the Board of Selectmen for approval. Mr. Pataska seconded the motion, all were in favor, and the motion passed.

### **Old Business**

The two fire pension recipients who were inadvertently overpaid have responded favorably to the terms of their repayment agreements.

### **New Business**

Mr. Fortuna reported that the Connecticut Conference of Municipalities will work with legislators this year to focus on property tax reform with the goal of a 25% reduction. They have put together a commission, including various consultants. One piece that will be looked at is pensions. He reported that the conversation is just beginning and he will keep the board informed as new information becomes available.

Mr. Pataska noted that he has conflicts with the February and April meetings as they are currently scheduled. After some discussion it was agreed that the February meeting will be changed to Friday, February 21 at 8:30 a.m. and the April meeting will be changed to Wednesday, April 15 at 8:30 a.m.

A **motion** was made by Mr. Pataska and seconded by Mr. Fortuna to adjourn. Meeting adjourned at 10:15 a.m.

Respectfully submitted,

Jennifer Donahue

***The next meeting will be Friday, February 21, 2020 at 8:30 a.m. in the Town Hall, first-floor conference room.***