

Old Saybrook Pension and Benefits Board

Thursday, June 25, 2020

8:30 a.m.

First-floor Conference Room, Town Hall – Teleconference

Meeting Minutes

Attendees

Members Present:

Darrell Pataska (Chair)

Suzanne Taylor (Vice-chair)

Lynn Dallas

Carl Fortuna, First Selectman

Rowena Moffett

David Sparrow

Paul Tracey

Others Present:

Lee Ann Palladino, Finance Director and

Pension Plan Administrator

Janet Vinciguerra, Pension Board Liaison

Jennifer Donahue, Board Secretary

Kevin Nichols, Morgan Stanley Investment Advisor

Joe Matthews, Morgan Stanley Investment Advisor

Brendan Crowley, Reporter, CT Examiner

Welcome and Public Comment

The meeting was called to order at 8:30 a.m. by Mr. Pataska.

Approval of the Minutes

The minutes of the May 28, 2020 meeting of the board were reviewed. A **motion** was made by Ms. Dallas and seconded by Mr. Tracey to approve the minutes as submitted. All were in favor and the motion passed.

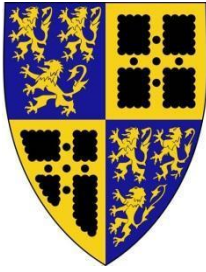
Chair's Report

Mr. Pataska had nothing to report.

Pension Liaison Report

Ms. Vinciguerra provided the Pension Payroll Status Report for June and reported on the DB and DC statistics. She noted that a BOE (Board of Education) retiree who was eligible to receive his pension in 2017 was delayed in making a claim for his pension and submitting the required information. As a result, in the current pension payment period he was owed a large payment in retroactive benefits which elevated the gross payroll for the month.

Discussion followed about the process for locating individuals who become eligible for their pensions but are no longer employed by the Town at that time. Ms. Vinciguerra reported that she makes an effort



to find people in that situation but it is occasionally unsuccessful. Ms. Palladino noted that a great effort has been made to identify and contact anyone who was on the Town's rosters who was eligible for money or a pension and that all but a handful have been located. Ms. Vinciguerra noted that she could follow-up with her counterpart at the BOE to ensure that employees are being encouraged to keep a current address on file with the Town after they leave employment so that they can be contacted when they are eligible to receive funds in the future. Ms. Moffett noted that she has access to people locator services through public records if the Town needs to pursue finding individuals who they have been unable to find.

Plan Administrator's Report

Ms. Palladino reported that the IPS (Investment Policy Statement) had been approved by the Board of Selectman and distributed to members of the board.

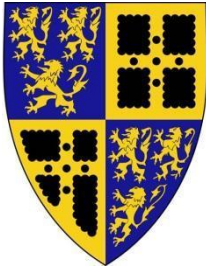
She also reported that she had received correspondence from ICMA regarding coronavirus relief that is being offered by allowing people to use funds from their 401 and 457 accounts or to receive a loan suspension. One-time distributions up to \$100,000 can be taken without incurring the normal 10% tax penalty. She does not believe that the options apply to the Town as 1) no loans are allowed on the Town plan and 2) she believes that under the Town plan the only people who would be eligible based on the Town's selections would be those who are older than 70.5 years and had lost their jobs. No one currently meets those criteria. Though it was agreed that it is most likely that no one would make a claim like this, Ms. Moffett pointed out that under the CARES Act a person might need to be allowed to access the funds. It was agreed that should a request arise it would be investigated further at that time.

Old Business

Mr. Tracey noted that he had found an inconsistency on page 10 of the newly revised IPS. He made a **motion** to remove 1) in the first sentence under section VI, Investment Strategy: "...to consider and vote upon for their inclusion..." 2) in the second sentence "recommend" and 3) in the last sentence of the same paragraph to remove, "...retained by the PBB..." These changes are consistent with other changes made to the IPS that reflect the role of the investment manager versus the PBB. Mr. Pataska seconded the motion, all were in favor and the motion passed. Mr. Fortuna noted that he did not believe that the IPS would have to go back to the Board of Selectman for approval as these concepts had already been approved in spirit related to previous changes to the IPS.

Ms. Moffett inquired as to whether the Board of Finance had had an opportunity to consider the PBB's pension plan funding recommendation for the next fiscal year. Mr. Fortuna reported it has been discussed and will probably be taken up at the BOF's second meeting in July. He expects that there will be funds to fully fund the pension based on the Town's surplus for the fiscal year.

Mr. Pataska asked the Morgan Stanley representatives to comment briefly on market performance. Mr. Nichols reported that the town pension plan is up 5.8% net of fees (beating its benchmark to be up



4.42%) and that over the year the plan is down 1.31% (beating its benchmark of being down 1.92%). The fund balance is \$23,273,889. He noted that small caps, high yield, large-cap value and mid-cap growth have had good performance.

New Business

Mr. Pataska suggested a meeting in August to have a review of the end of the fiscal year. All were in favor.

A **motion** was made by Mr. Tracey and seconded by Mr. Fortuna to adjourn. The meeting adjourned at 9:10 a.m.

Respectfully submitted,

Jennifer Donahue

The next meeting will be Thursday, August 27, 2020 at 8:30 a.m. in the Town Hall, first-floor conference room.