

Old Saybrook Pension and Benefits Board

Thursday, September 24, 2020

8:30 a.m.

First-floor Conference Room, Town Hall – Teleconference

Meeting Minutes

Attendees

Members Present:

Darrell Pataska (Chair)

Suzanne Taylor (Vice-chair)

Carl Fortuna, First Selectman

Paul Tracey

Lynn Dallas

Rowena Moffett

David Sparrow

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

Laura Hancock, ICMA Representative

Welcome and Public Comment

The meeting was called to order at 8:30 a.m. by Mr. Pataska. Dr. Taylor asked that the minutes reflect appreciation for Ruth Bader Ginsburg and her contributions to equality in this country. She asked that the board spend a minute in quiet reflection in her honor. Board members agreed.

Approval of the Minutes

The minutes of the August 27, 2020 meeting of the board were reviewed. A **motion** was made by Dr. Taylor and seconded by Ms. Dallas to approve the minutes as submitted. All were in favor and the motion passed.

Chair's Report

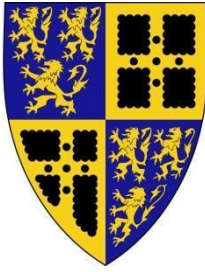
Mr. Pataska did not present a report.

Pension Liaison Report

Ms. Vinciguerra provided the Pension Payroll Status Report for August and reported on the DB and DC statistics. She noted that there are 86 Town retirees and 29 FD retirees. Two other FD retirees will be added to the payroll as of October 1.

ICMA Presentation

Laura Hancock from ICMA gave a presentation to the board at its request to review the fiscal year end as well as to detail the services provided by her company to plan participants. Ms. Hancock explained that



ICMA uses an Easy Link System to give access to plan participants. They also have a standard investment line-up that is monitored by a group of CFAs led by Wayne Wicker. An open architecture structure is also offered if a group wishes to pick its own funds. Vantage Point is the investment side of the company and offers a number of proprietary funds. They also offer a stable value plus fund that is outperforming its peers and is very conservatively invested.

As of August 31, the 457 Plan had 70 listed participants (probably only about 60 of which are active) with a total investment of \$2,594,392. The 401 Plan had 37 participants with a total investment of \$436,377. Seven people are participating in the IRA with a total of \$47,173. Since 2015 participants have increased from 22 to the current 58.

She noted that new enrollment booklets will no longer have a listing of available plans but will instead direct enrollees to a website where they will always be able to get up-to-date information on the funds available. She expressed a desire to improve employee engagement while acknowledging that employee participation is very good. She asked for suggestions and support from the board in strategies to improve the engagement.

Ms. Hancock reviewed the fees charged for ICMA's funds and services noting that the plan participants had been charged about \$22,000 in fees for the previous calendar year which equals an average percentage of 1.26. These fees cover all of the services received by plan participants as well as fund administration. Participants can opt for other services at their own expense included Guided Pathways or full management of their portfolios. Asset class guidance is free.

Morgan Stanley Market Update

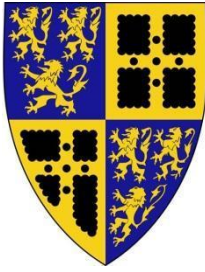
Mr. Nichols gave a brief market review and reported that the Town plan for the fiscal year is up 4.05% net after fees and is just under \$24 million while the FD plan is up 3.94% net after fees for the fiscal year and has just under \$1.5 million.

Plan Administrator's Report

Ms. Palladino noted that she did not have a specific report but would follow up with the board in more detail in October after there had been time to digest the information presented by Ms. Hancock. She asked board members to keep in mind two things: 1) the board's role as a fiduciary and whether it wanted to consider reviewing the fund line-up for the 457 plan; 2) the ICMA reporting was impressive and the board should consider taking more advantage of that on a regular basis and have regular reports to the PBB similar to Morgan Stanley's regular updates. This could be a focus for the RFI for the 457 as well.

Mr. Tracey asked that any other vendors who were invited to present for the RFI be asked to provide information in advance of their presentations.

Old Business



Mr. Fortuna reported that two of the four town unions were up for negotiations at the end of June, the Police Union and the Supervisor's Union. The Supervisor's Union has settled with the Town and may have ratified their agreement yesterday. In the third year of that contract (fiscal year 2023), the pension contribution was negotiated from 5% to 5.5%. Negotiations with the Police Union will probably move to arbitration. Next year the Support Union and the Dispatchers Union expire.

New Business

There was no new business.

A **motion** was made by Mr. Tracey and seconded by Mr. Fortuna to adjourn. The meeting adjourned at 9:57 a.m.

Respectfully submitted,

Jennifer Donahue

The next meeting will be Thursday, October 22, 2020 at 8:30 a.m. in the Town Hall, first-floor conference room.