

Old Saybrook Pension and Benefits Board

Thursday, October 22, 2020

8:30 a.m.

First-floor Conference Room, Town Hall – Teleconference

To access the audio from this meeting, please use the following link:

<https://youtu.be/HORY691bCDY>

Meeting Minutes

Attendees

Members Present:

Darrell Pataska (Chair)

Suzanne Taylor (Vice-chair)

Carl Fortuna, First Selectman

Paul Tracey

Rowena Moffett

David Sparrow

Others Present:

Janet Vinciguerra, Pension Board Liaison

Jennifer Donahue, Board Secretary

Kevin Nichols, Morgan Stanley Investment Advisor

Joe Matthews, Morgan Stanley Investment Advisor

Absent: Lynn Dallas and Lee Ann Palladino, Finance Director and Pension Plan Administrator

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 September 24, 2020 meeting of the board were reviewed. A **motion** was made by Mr. Fortuna and seconded by Mr. Tracey to approve the minutes as submitted. All were in favor and the motion passed.

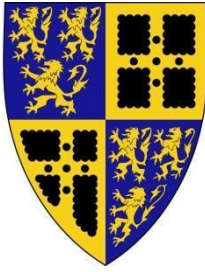
Chair's Report

Mr. Pataska expressed condolences for the death of Ms. Palladino's mother.

Pension Liaison Report

Ms. Vinciguerra provided the Pension Payroll Status Report for October noting that there are no pending retirements. The Fire Department now has 31 retirees. She also reported that 67% of defined contribution participants are electing for the extra 3% contribution and matching funds from the town.

Board members again discussed ways to continue to encourage and educate employees about their retirement options and other benefits. Ms. Vinciguerra pointed out that the most recent issue of the quarterly newsletter for employees featured a section on ICMA-RC and how to have a personal



consultation with Laura Hancock to assess retirement goals. It was agreed that a copy of the newsletter would be shared with board members for their information.

Ms. Vinciguerra also noted that all new hires for the town receive the defined contribution summary document. The information will also be available on the benefits portal to access at any time once employees have access to that. Unfortunately, that access has been delayed due to the cancellation of the open enrollment meetings caused by COVID-19.

Morgan Stanley Market Update

Mr. Nichols gave a detailed overview of the markets and trends noting that there is increasing volatility as the election draws closer. Short-term rates are steady and long-term rates are going up. Stocks are more attractive than bonds and emerging markets are still doing well while the tech sector is still seeing some challenges. The Town plan is up 6.2% net of fees and 9.06% for the fiscal year while the Fire Department is up 6.79% net of fees and 8.6% over the fiscal year. This good performance in challenging times is a result of the managers that the funds are working with and the fact that they protect better during the downsides in the market. There are no impermissible investments at this time.

Mr. Pataska asked about Morgan Stanley's recent announcement of its purchase of Eaton Vance and whether that would have any impact. Mr. Nichols reported that there would be no impact at this time as Eaton Vance will be operated as an independent subsidiary. The deal is not expected to close until next year.

ICMA Quarterly Report

Mr. Tracey gave a brief report on the ICMA-RC investments noting that participants continued to favor equities in their investment choices with 61% in balanced funds and 25% in stock funds. He also reported that the 457 plan has more than \$2.5 million to date. A refresher was provided by Mr. Fortuna and Ms. Vinciguerra on the differences between the 401(a) and 457 plans.

Plan Administrator's Report

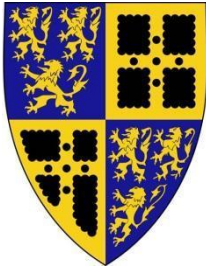
There was no Plan Administrator's Report.

Old Business

There was no old business.

New Business

The meeting schedule for the end of this year through the next calendar year was discussed. Board members agreed to cancel the November 19 meeting and instead have a meeting on Thursday, December 10 at 8:30 a.m. A **motion** was made by Mr. Pataska to schedule meetings for 2021 on the fourth Thursday of each month at 8:30 a.m. with the exception of the months of July, August and



December. Mr. Tracey seconded the motion. All were in favor and the motion passed. Ms. Donahue will have the new meeting schedule ready for the December meeting.

Mr. Fortuna reported that the Supervisor's Union had ratified its new contract. The Board of Selectman will consider it at the next meeting and he expects that it will be approved. The new contract calls for an increase in the mandatory employee retirement contribution in the third year of the contract from 5% to 5.5%.

A **motion** was made by Mr. Tracey and seconded by Mr. Pataska to adjourn. The meeting adjourned at 9:45 a.m.

Respectfully submitted,

Jennifer Donahue

The next meeting will be Thursday, December 10, 2020 at 8:30 a.m. remotely in the Town Hall, first-floor conference room.