

Old Saybrook Pension and Benefits Board

Thursday, December 10, 2020

**8:30 a.m.**

First-floor Conference Room, Town Hall – Teleconference

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

### **Meeting Minutes**

#### **Attendees**

Members Present:

Darrell Pataska (Chair)

Suzanne Taylor (Vice-chair)

Carl Fortuna, First Selectman

Paul Tracey

Lynn Dallas

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

**Absent:** Rowena Moffett

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

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

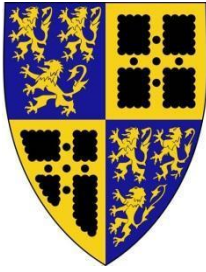
#### **Approval of the Minutes**

The minutes of the October 22, 2020 meeting of the board were reviewed. A **motion** was made by Mr. Tracey and seconded by Dr. Taylor to approve the minutes as submitted. All were in favor and the motion passed.

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

Mr. Pataska gave everyone his best wishes for a safe and happy holiday season. He reported that the proposed dates for meetings in 2021 were in the packet. He also noted that it is easy to get caught up in all the negative information that is circulating right now about the state of the world and the pandemic but he encouraged the board to stay focused on the positive and to remember that the PBB's work is to focus on the long-term.

Mr. Pataska also reported on the recent death of Bob Fish, the town's longtime treasurer, in November. Dr. Taylor noted that Mr. Fish had been instrumental in pension board business for many years before the town had a financial manager. Mr. Fish's service to the town was discussed – 20 years as treasurer, a brief one-year stint as the first selectman, and many years on numerous town commissions for a total of 58 years of service to the town. Mr. Fortuna noted that he is looking into having a plaque made in Mr.



Fish's honor that could be hung in town hall. Perhaps a ceremony could be held when gatherings can again be safely hosted.

### **Pension Liaison Report**

Ms. Vinciguerra provided the Pension Payroll Status Report for November and December noting that the town has 86 retirees and the Fire Department has 31 retirees. Detective Perrotti from the Police Department has given notice of his retirement, though he will continue as a per diem employee of the Police Department serving as a school resource officer. She reported that there has been one resignation from the DB plan while the number of DC plan participants has remained the same.

Ms. Vinciguerra also reported that semi-annual health insurance waiver payments had gone out. Mr. Pataska asked for clarification on this and she explained that if employees have the option for health insurance somewhere else, they can waive insurance through the town, which makes them eligible for a semi-annual payment equivalent to \$1,000 for a single person and \$2,000 for a family. Mr. Fortuna noted that this is a negotiated benefit through the unions and was originally one-third of the premium cost before it was negotiated down to the current payment.

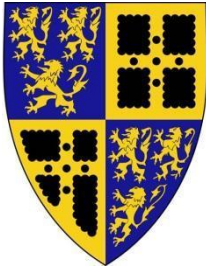
### **Morgan Stanley Market Update**

Mr. Nichols reported that as of 11/30/20 the town plan was up 14.32% year to date net of fees and as of last night was up 15.78% net of fees. Small caps, emerging markets and developed international are all performing well. Morgan Stanley is predicting a strong recovery in the second half of next year and is recommending value over growth as well as international and emerging markets. The Fire Department was up 13.73% on 11/30/20 and 15.35% year to date net of fees as of last night. Mr. Nichols noted that the pension plans are overweighted in a couple of areas and need to be rebalanced to get back into target range for small caps and developed international. He recommended moving half of the rebalanced funds into cash and half into short-term bonds. Board members discussed that they have confidence in Morgan Stanley's choices as governed by the IPS.

Mr. Tracey noted a concern about cryptocurrencies and whether they should be added to the IPS as an impermissible investment. Mr. Nichols stated that Morgan Stanley does not allow clients to have cryptocurrencies in their portfolios. Mr. Pataska noted that if additions to the IPS are desired, they can be made in April during the regular IPS review and update. Mr. Nichols will add cryptocurrencies to the list of issues to be considered at that time.

### **Plan Administrator's Report**

Ms. Palladino gave a preliminary overview of some of the basic actuarial statistics that will be presented by Milliman representatives Becky Sielman and Kerry Forrester at the January meeting. She noted that having the figures earlier this year will allow for better budgeting. She noted that the unfunded liability has decreased and urged the PBB to consider how they want to move forward with their ongoing philosophy of lowering the assumed rate each year.



### **RFQ/RFI for Retirement Program Investment Advisors**

Mr. Nichols left the meeting before this discussion began as it could include Morgan Stanley. He wished everyone a happy holiday.

Ms. Palladino reported that the chair had designated a subcommittee of himself, Mr. Fortuna, Ms. Palladino, Ms. Dallas and Mr. Tracey to begin discussions to move forward with this project. The subcommittee met and discussed priorities for a vendor to provide including consulting, reporting and employee education services. They also discussed that an RFI would be the most beneficial process at this time, also taking into consideration that an RFP is not required by the Town Charter for this type of service. It was agreed that four vendors would be a reasonable number to be considered unless board members had strong recommendations related to more than that. The subcommittee had agreed that ICMA, Morgan Stanley and TIAA Cref should be consulted and perhaps one more. Dr. Taylor suggested Hooker & Holcombe would be a good fourth choice. Ms. Palladino agreed that this group would provide a good mix of the desired services the board would like to consider. The subcommittee will do the legwork and narrow the choices down to one or two to then be presented to the full board.

### **Old Business**

Mr. Tracey reported that he asked for some information to be included in the packet related to the 401 and 457 plans including an explanation of the differences between them, a brochure from the 457 plan and a summary plan for the defined contribution plan. These are all resources that are available to employees and it would be helpful for board members to be familiar with them and to have as a reference.

### **New Business**

Mr. Tracy reported that on Tuesday evening a recording of a holiday fundraiser to benefit the Shoreline Soup Kitchens and Pantries will be broadcast at the Kate. He noted that food needs are up 50% this year at the soup kitchen and encouraged board members to consider a donation which at this time will be matched by the Gowrie Group.

A **motion** was made by Mr. Tracey and seconded by Mr. Pataska to adjourn. The meeting adjourned at 9:33 a.m.

Respectfully submitted,

Jennifer Donahue

***The next meeting will be Thursday, January 28, 2021 at 8:30 a.m. remotely in the Town Hall, first-floor conference room.***