

Old Saybrook Pension and Benefits Board
Thursday, April 25, 2019
6:30 p.m.
First Floor Conference Room, Town Hall

Regular Meeting Minutes

Attendees

Members Present:

Suzanne Taylor (Chair)

Lynn Dallas

Carl Fortuna, First Selectman

Paul Tracey

Darrell Pataska

Rowena Moffett

Others Present:

Lee Ann Palladino, Finance Director and

Pension Plan Administrator

Janet Vinciguerra, Pension Board Liaison

Tom Forma and Kevin Nichols, Morgan Stanley

Timothy Kellogg, Board Secretary

Jennifer Donahue, Guest/Future Board Secretary

Welcome and Public Comment

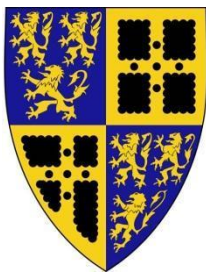
The meeting was called to order at 6:30 p.m. Chairperson Taylor welcomed the board and Jennifer Donahue. The board shared acknowledgements and recognition of Mr. Kellogg for his years of service as Board Secretary.

Approval of the Minutes

The March 2019 Regular Meeting Minutes were reviewed. A **motion** was made and seconded to approve the minutes as presented. All were in favor motion approved.

Chair's Report

Comments by the Chair included employee concerns on the survival of the Defined Benefit Plan and related communication strategy. The Chair discussed Roberts Rules of Order. There was some discussion related to House Bill 7174 regarding the reduction in the cost of health care. The Chair suggested having further discussion at a future meeting. Discussion continued. The Chair suggested adding a discussion of



questions that the Pension and Benefits Board would like Brown and Brown to address to a future agenda. There was discussion of the CPPF conference registration and agenda.

Pension Liaison Report – Janet Vinciguerra

Janet Vinciguerra provided the Pension Payroll Report. She reported on the DB and DC statistics. See attached addendum. Discussion of acknowledgements took place. Carl Fortuna acknowledged the passing of longtime town employee Pam Antolino.

Investment Advisor Report

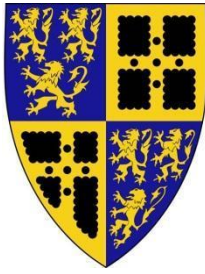
The Investment Report was provided by Mr. Forma and Mr. Nichols. Mr. Nichols provided the time weighted performance summary. FYTD rate of return was 6.08%. There was a discussion of portfolio performance. There was discussion of the tactical allocation and cumulative effects. Discussion continued. Ms. Palladino commented on the investment portfolio related to the IPS.

Plan Administrator's Report

Ms. Palladino reported on the Defined Benefit Plan Summary Document Update. A **motion** was made by Carl Fortuna and seconded by Lynn Dallas to approve the DB Plan Summary Document update. Discussion of the update and communication to plan participants took place. All were in favor DB Plan Summary Document Approved.

Ms. Palladino reported Teachers' Pension Contribution and the GFOA meeting. Ms. Palladino highlighted pension cost, total normal cost, and unfunded liabilities. Median salary requirements were reviewed, along with potential changes to minimum wage. Related discussion of wage compression took place. The teacher's retirement board contribution was discussed in further detail. Ms. Palladino reported on Family Medical Leave proposals. Ms. Palladino commented on PTSD workers comp benefits for Firefighters. CT Municipal Employees Retirement fund discount rate discussion took place.

Ms. Palladino continued the discussion on the Investment Policy Statement (IPS). She highlighted prior changes asset allocation change to 60/40 required this revisit to the IPS. The investment advisor Morgan Stanley has been given discretion and required reporting. The IPS stated the board's philosophy of staying close to the benchmark and using passive management. Clarification of fiduciary responsibilities were made to the IPS. Review of pg. 8 Derivative instruments were discussed. Review of alternative investment strategy. A **motion** was made by Paul Tracey and seconded by Darrell Pataska to approve the IPS as revised. Discussion of the IPS and the alternative investment strategy took place. Ms. Palladino proposed a revision to say if the Investment Advisor wishes to use alternative investments they need to be reviewed and approved. Before the Investment Advisor utilizes the alternative investment strategy it must be explained to and approved by the Pension and Benefits Board. Security selection on pg. 10 was reviewed and discussed. Grammatical revisions discussed. Mr. Nichols suggested adding ultra-short-



term bonds to the asset allocation section. Total of ultra-short term and short term is the maximum for investment grade bonds, which may equate to 30% of the asset allocation. Mr. Nichols noted reductions that will take place. There were general comments on the IPS and future reporting. A **motion** was made by Carl Fortuna and seconded by Lynn Dallas to approve the amendments to the IPS as approved by the board. All were in favor. IPS amendments approved. A vote to approve the initial motion to approve the IPS as revised took place All were in favor. The IPS was approved as amended.

Old Business

Further Research regarding Disability and other benefits for those in DC Plan to be addressed with Brown and Brown. Discussion took place. The AFLAC program was highlighted.

Chairperson Taylor discussed health care and HSA plans. Ms. Palladino noted Brown and Brown will provide a summary plan document of health benefits. They will report on Town of Old Saybrook's offerings for employee benefits

There will be an ICMA Presentation in June 2019 with an employee information session with Laura Hancock.

The Brown and Brown Presentation is scheduled for the May 2019 meeting.

New Business

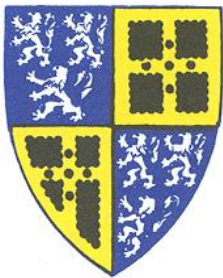
No additional new business.

A **motion was** made by Paul Tracey and seconded by Rowena Moffett to adjourn. Meeting adjourned at 8:03 p.m.

Next Meeting: Thursday, May 23, 2019

Respectfully Submitted,

Timothy Kellogg,
Pension and Benefits Board Secretary



TOWN OF OLD SAYBROOK

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Retirements and Pension Payroll Status Report

April 25, 2019 PBB Meeting

- I. May 1st Pension Payroll:
 - Town/PD/BOE – 84 retirees; gross payroll \$125,538.69; Norma Wright was enrolled into the monthly pension payroll.
 - FD – 25 retirees; gross payroll \$9,186.01; no enrollment changes.
- II. Future Retirements:
 - Peg Smith at the BOE will be resigning effective July 24, 2019. She will be 100% vested and eligible for Normal Retirement pension benefits in January 2023.
 - There are no other pending retirements.
- III. Current DB and DC Pension Plan Enrollments:
 - DB plan has 76 Town employees and 25 BOE employees.
 - DC plan has 19 Town employees and 3 BOE employees.
 - 13 of the 22 total DC participants are electing the extra 3% contribution and Town match.
- IV. Contribution Refunds for separated employees:
 - Kathryn Aaron who resigned from the BOE in November 2018 was issued a refund of her contributions and earned interest in the amount of \$1,531.30.

Respectfully submitted,

Janet Vinciguerra
Employee Benefits Coordinator & Pension Liaison

Town of Old Saybrook

ICMA Participation Totals

Defined Benefit Pension Plan, Defined Contribution Pension Plan and 457 Deferred Compensation Savings Plan

Date	Active DB Employees		Active DC Employees			Current DB Retirees			Active 457 Employees
	Town	BOE	Town	BOE	3% match	Town	BOE	FD	
7/1/2018						62	23	26	
7/13/2018	82	26	13		8				43
7/27/2018	83	27	13		8				42
8/1/2018						63	23	26	
8/10/2018	83	27	12		7				43
8/24/2018	82	25	13		8				41
9/1/2018						63	23	26	
9/7/2018	82	27	16		9				40
9/21/2018	82	27	16		9				41
10/1/2018						63	23	26	
10/5/2018	81	27	16		9				41
10/19/2018	80	27	17		9				42
11/1/2018						63	23	25	
11/2/2018	79	26	16		9				42
11/16/2018	79	25	16		9				43
11/30/2018	78	25	15		9				42
12/1/2018						63	23	25	
12/14/2018	78	25	15		9				43
12/28/2018	78	25	15		9				43
1/1/2019						62	23	25	
1/11/2019	77	24	18		12				45
1/25/2019	77	24	17		12				45
2/1/2019						62	23	25	
2/8/2019	77	24	16		11				45
2/25/2019	77	24	18		11				44
3/1/2019						61	23	25	
3/8/2019	77	25	18		11				44
3/22/2019	77	25	18		11				44
4/1/2019						61	22	25	
4/5/2019	77	25	19	3	13				46
4/19/2019	76	25	19	3	13				47
5/1/2019						62	22	25	

According to ICMA's website, below are the total number of participants with balances:

(these numbers include retirees and separated employees)

	<u>401(a)</u>	<u>457</u>
4/24/2019	27	58