

Old Saybrook Pension and Benefits Board
Thursday, February 28, 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 (via phone)

Richard Sullivan

Rowena Moffett

Members Absent:

Darrell Pataska, Vice Chair

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

Welcome and Public Comment

Chairperson Taylor welcomed the board and provided chocolates to extend a special welcome to new board member Richard Sullivan. The meeting was called to order at 6:32 p.m.

Minutes

The regular meeting minutes of the January 24, 2019 meeting were reviewed. A **motion** was made by Carl Fortuna and seconded by Lynn Dallas to approve the minutes as presented. All in favor, one abstention (Ms. Moffett was not in attendance at the January meeting). Minutes approved as presented.

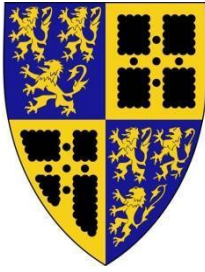
Chair's Report

Comments by the Chair

The meeting agenda was discussed. Chairperson Taylor highlighted a *Pension & Investment* news article regarding the funding status of public Pension Plans, while noting the positive health of our defined benefit plan. The updated DB Plan Summary booklet was briefly discussed. Additionally, the chair reminded the board of their responsibility for other employee benefits such as disability, health, and life insurance among other benefits. A brief discussion ensued and further discussion should be forthcoming on these matters.

Teacher's Pension

Funding for the Connecticut State Pension Plan for Teachers was discussed in light of Governor Lamont's proposal that towns and cities contribute a portion of this liability. More will be discussed as legislation



moves forward. Mr. Fortuna reported on the updates he is receiving from various state agencies and will keep the board informed.

Pension Liaison Report

Ms. Vinciguerra provided her report. See attached addendum for report. There was related discussion of retirement requirements and DB plan enrolment.

Finance Consultant's Report

Mr. Forma and Mr. Nichols provided the investment report and asset allocation update. Mr. Nichols gave a summary and update of the time weighted performance of the pension investments. Rates are up 2.35% MTD. Mr. Forma and Mr. Nichols reported on manager performance. No changes are recommended at this time.

Plan Administrator's Report

Ms. Palladino provided her report. Review and discussion of the Investment Policy Statement (IPS) continued. Ms. Palladino shared IPS revision history to-date. Ms. Palladino discussed strategy and the yearly plan to adjust rates by 25 basis points to meet actuarial recommendations. Ms. Palladino reviewed the asset allocation of the 60/40 mix in equity and bonds. Preferred strategies to have the equity portfolio track the market were reviewed. There was discussion of high yield bonds and benchmarks, as well as, the use of passive strategies and increased risk to meet benchmarks. Ms. Palladino and board members discussed rebalancing procedures, the role of investment advisors, the responsibility of investment managers and the selection of new managers. There was discussion of index funds contexts. Selection criteria and reporting requirements were also discussed.

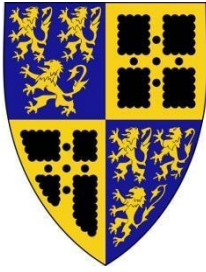
At the Chair's request, review of the DB Plan Summary Document was moved to the March meeting agenda.

A **motion** was made by Lynn Dallas and seconded by Carl Fortuna to approve the Plan Administrator's report. All in favor. Motion approved.

ICMA Report

Mr. Tracey provided the ICMA report for the 457 and DC 401 plans. As of December 2018, participation in the 457 plan is up to 55 participants, from 48 the previous year, and 41 the year before that. (Figures taken from ICMA reports, not current employment status). Mr. Tracey provided the asset allocations for the 457 plan: 27% cash, 29% stocks, 36% balanced investments, 4% bonds, and 3% international. Contra continues to be the largest investment in the 457 plan at 12% of the plan assets (which are chosen by the participants). The DC 401 plan's market value is approx. \$70,000, with 21 employees participating. Discussion took place. Mr. Tracey will invite Laura Hancock from ICMA to the June Pension and Benefits Board meeting.

Old Business



Further Research re Disability and other Benefits for those in DC Plan was discussed under the Chair's comments. Disability Insurance was discussed.

New Business

No additional new business was discussed.

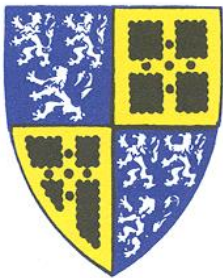
Adjournment

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

Respectfully Submitted,

Timothy Kellogg,
Pension and Benefits Board Secretary

Enc.
Pension Liaison's Report



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Retirements and Pension Payroll Status Report

February 28, 2019 PBB Meeting

- I. March 1st Pension Payroll:
 - Town/PD/BOE – 84 retirees; gross payroll \$125,700.34; total number was reduced by Richard Powers passing away on February 13th. He retired August 1998 with 28 years of service with the Police Department. He was 74 years old. I am currently assisting his son with the life insurance claim paperwork.
 - FD – 25 retirees; gross payroll \$9,186.01; no enrollment changes.
- II. Future Retirements:
 - Norma Wright, Head of Circulation at the Acton Public Library, notified the library director of her intention to retire in early April. Her pension will commence in May. Norma has worked for the APL since May 2013. She is over 62 years of age and qualifies for normal retirement.
- III. Current Pension Plan Enrollments:
 - DB plan has 77 Town employees and 24 BOE employees.
 - DC plan has 18 Town employees and BOE will soon have their first non-union employee enrolled.
 - 11 of the 18 DC participants are electing the extra 3% contribution and Town match.

Respectfully submitted,

Janet Vinciguerra
Employee Benefits Coordinator & Pension Liaison

prepared for the February 28, 2019 Pension and Benefits Board Meeting

Active Employees in DB Plan			Active Employees in DC Plan			DB Retirees		
Date	Town	BOE	Town	BOE	Extra 3% match	Town	BOE	FD
7/1/2018						62	23	26
7/13/2018	82	26	13		8			
7/27/2018	83	27	13		8			
8/1/2018						63	23	26
8/10/2018	83	27	12		7			
8/24/2018	82	25	13		8			
9/1/2018						63	23	26
9/7/2018	82	27	16		9			
9/21/2018	82	27	16		9			
10/1/2018						63	23	26
10/5/2018	81	27	16		9			
10/19/2018	80	27	17		9			
11/1/2018						63	23	25
11/2/2018	79	26	16		9			
11/16/2018	79	25	16		9			
11/30/2018	78	25	15		9			
12/1/2018						63	23	25
12/14/2018	78	25	15		9			
12/28/2018	78	25	15		9			
1/1/2019						62	23	25
1/11/2019	77	24	18		12			
1/25/2019	77	24	17		12			
2/1/2019						62	23	25
2/8/2019	77	24	16		11			
2/25/2019	77	24	18		11			
3/1/2019						61	23	25