

Old Saybrook Pension and Benefits Board
Thursday, March 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
Darrell Pataska (Vice Chair) via phone
Richard Sullivan

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

Absent

Paul Tracey
Rowena Moffett

Welcome and Public Comment

Chairperson Taylor called the meeting to order at 6:30 p.m. and welcomed the board and Darrell via phone. Chairperson Taylor shared that she'd been presented with Mr. Kellogg's letter of resignation as Pension and Benefits Board Secretary. Chairperson Taylor read the letter for the board. Mr. Kellogg's resignation is effective following the completion of his responsibilities for the April 25, 2019 regular meeting. The PBB congratulated Mr. Kellogg on his new position and thanked him for his excellent service to the PBB.

Minutes

The February 2019 regular meeting minutes were reviewed. A **motion** was made by Ms. Dallas and seconded by Mr. Fortuna to approve the minutes as presented. All were in favor and the minutes were approved as presented.

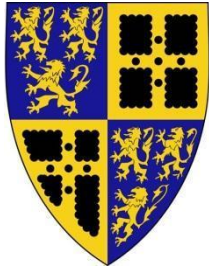
Chair's Report

Chairperson Taylor provided her comments. The details of the CPPF conference (on May 9th) were discussed the board is awaiting more information about the conference.

Chairperson Taylor spoke with JT Dunn regarding the Fire Department pension plan and noted that he is presenting the Old Saybrook model to other town Fire Departments.

Pension Liaison Report

Ms. Vinciguerra provided her report. See attached addendum for report. Some discussion of the report took place.



Investment Advisor Report

Mr. Forma and Mr. Nichols provided the investment report. Mr. Nichols provided the time weighted performance summary 2.94% rate of return FYTD. He reviewed high yield bond performance which has done very well. Emerging markets are also doing well. Some items that aren't performing as well, Congress mid cap and Aristotle. Mr. Forma commented on market volatility and how that is to be expected. Mr. Nichols highlighted investment manager John Hancock. Mr. Nichols noted change tracking efforts from the recent asset allocation adjustment and that the last tactical position is creating a positive effect. Discussion took place regarding active managers and indexing. Discussion of the Investment Policy Statement (IPS) and risk protection related to high yield bonds took place. Mr. Forma noted that investments are ahead in high yield for March. Mr. Nichols commented on asset allocation strategy. Mr. Forma discussed indexing strategy. Mr. Nichols discussed active versus passive management and will provide Morgan Stanley's strategy on that next month.

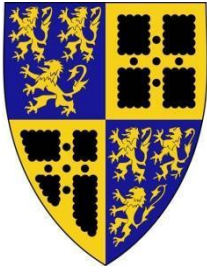
Plan Administrator's Report

Ms. Palladino continued the IPS review. She highlighted changes made since last month, which included defining investment advisor, making it clear that investment authority (full discretion) was being assigned to the investment advisor, and that the rebalancing strategy will be to remain within the asset allocation ranges and allow the investment advisor to tactically position the portfolio on an ongoing basis. There was discussion of the fiduciary definition. After further discussion, Ms. Palladino reviewed section 6 on new managers and she reviewed page 10 performance evaluation related to investment managers.

Ms. Palladino reported on new proposed changes to the IPS. She reviewed page 9, vii Time Horizon 5-7 yrs., liquidity, regular cashflow report to monitor liquidity. Ms. Palladino also reviewed IPS page 10 guide for corrective actions. Ms. Palladino reviewed IPS page 11 on Investment manager watch list criteria. Discussion of watchlist and time horizon took place. Ms. Palladino shared the required reporting for the IPS (copy attached) which will allow the PBB to effectively oversee the management of the DB plan. Final adjustments will be made next month. Discussion of asset allocation and IPS review took place. Morgan Stanley will report on risk and performance quarterly. Other key reports will be scheduled so that no information that the PBB should have is omitted. Ms. Palladino said that with this schedule it will allow more meeting time to discuss other issues that are relevant to the PBB such as the DC plan and other employee benefits.

Ms. Palladino reviewed the updated DB Plan summary document (DBPSD). She noted corrections and revisions. Corrections and revisions noted included DBPSD page 5 correction of police benefit percentage, payment of benefits, and page. 9. Ms. Palladino also noted general wordsmithing. Suggested corrections included changing Pension Board to Pension and Benefits Board in the DBPSD. Ms. Palladino noted that she'll provide a final revision of the DBPSD for review and approval at the meeting on 4/25/19.

Old Business



Discussion of further disability benefits research took place. Chairperson Taylor noted that disability benefit in the DB plan provide for an employee should a disability occur therefore it is not necessary to purchase disability insurance. The Chair proposed discussion of the possibility for DC plan participants to purchase disability benefits. There was discussion regarding the Town's RFP process last year surrounding the hiring of a benefit consultant. Mr. Pataska would like the Town to have Brown and Brown provide a review of the benefits currently provided to Town employees and retirees at a subsequent PBB meeting.

The Chair proposed a motion to move the agenda forward. A **motion** was made by Mr. Fortuna and seconded by Mr. Sullivan to move the agenda. All in favor. Motion approved.

A motion was made to adjourn. All in favor. Meeting adjourned at 7:45 p.m.

Respectfully submitted,

Timothy Kellogg,
Pension and Benefits Board Secretary



TOWN OF OLD SAYBROOK

Accounting Department

302 Main Street • Old Saybrook, Connecticut 06475-1741
Telephone (860) 395-3132 • FAX (860) 395-1216
janet.vinciguerra@oldsaybrookct.gov

Retirements and Pension Payroll Status Report

March 28, 2019 PBB Meeting

- I. April 1st Pension Payroll:
 - Town/PD/BOE – 83 retirees; gross payroll \$125,156.30; total number was reduced by Stephen Bastura passing away on March 23rd. He retired from the Board of Education on January 1, 1988 with 15.5 years of service as a building maintainer. He was 98 years old.
 - FD – 25 retirees; gross payroll \$9,186.01; no enrollment changes.
- II. Future Retirements:
 - Norma Wright will be added to our pension payroll on May 1st.
 - No other pending retirements.
- III. Current DB and DC Pension Plan Enrollments:
 - DB plan has 77 Town employees and 25 BOE employees.
 - DC plan has 18 Town employees and BOE will have three non-union employees enrolled in the coming weeks.
 - 11 of the 18 DC participants are electing the extra 3% contribution and Town match.
- IV. Contribution Refunds for separated employees:
 - James Forte who resigned from the PD in August 2015 was issued a refund of his contributions and earned interest in the amount of \$4,268.93.
 - Michael Sweeney who resigned from the APL in November 2017 was issued a rollover of his contributions and earned interest in the amount of \$2,076.64.
 - Jena Audette who resigned from the BOE in October 2018 was issued a refund of her contributions and earned interest in the amount of \$4,039.51.

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 | |

According to ICMA's website, below are the total number of participants with balances:
 (these numbers include retirees and separated employees)

| | | |
|----------------|---------------|------------|
| | 401(a) | 457 |
| As of 3/22/19: | 23 | 55 |