



Old Saybrook Pension and Benefits Board  
Thursday, April 6, 2017  
**2:00 p.m.**  
First Floor Conference Room

### **Special Board Meeting Minutes**

#### **Attendees:**

##### Members Present:

- Suzanne Taylor (Chair)
- Lynn Dallas
- Ray Muratori
- Carol Voigt
- Paul Tracey
- Carl Fortuna, First Selectman

##### Members Absent:

- Rowena Moffett

##### Others Present:

- Lee Ann Palladino, Finance Director
- Janet Vinciguerra, Pension Board Liaison
- Richard Cohen, Counsel, Shipman Goodman
- Laura Hancock, ICMA

##### Public Members:

- Jonathan Paradis, President, Support Union
- Chelsea Graham,
- Linda McCall
- Wendy Mill

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

The Chair noted that a quorum was present and she called the meeting to order at 2:05 p.m.

Chair Taylor welcomed the Pension and Benefit Board (“PBB”) members and provided opportunity for public comment. She asked the public members to introduce themselves and state their interest for attending the PBB special board meeting. Members of the public introduced themselves and stated they were interested in learning more about the Defined Contribution (“DC”) plan.

Chair Taylor opened her remarks by stating the purpose of the meeting was to review a proposed DC plan in preparation for the PBB’s recommendation to the Board of Selectmen. She said that during the February PBB meeting it was voted to consider a DC plan developed by the First Selectman and ICMA, the Town’s existing 457 provider. Chair Taylor described the documents that were presented to the PBB

in preparation for this meeting and said that the PBB had two tasks, one to review the proposed DC plan that would be open to new hires and secondly to consider the proposed amendments to the DC plan.

Next Chair Taylor introduced Attorney Richard Cohen from Shipman Goodman to share his legal perspective on the DC plan. Chair Taylor then gave an overview of the history and purpose of the present Defined Benefit (“DB”) plan. The DB plan includes 63 active and 34 retired participants from the Town; 32 active and 19 retirees from the Police; and 28 active and 20 retirees from the Board of Education. She said total DB plan participants were 73 retired and 123 active. The Fire Department, which is not part of the DC plan discussion, had 22 retirees and 90 active participants. She noted the importance of these retirement benefits as it affected over 300 individuals.

Chair Taylor noted that the plan documents for the DB plan should be updated to reflect changes made during each union negotiation so that the language in the DB plan documents clearly reflects current practices. She also noted that she would like to address the issue of providing disability benefits.

Chair Taylor then turned the meeting over to Attorney Cohen. He started his overview by going over the ICMA Retirement Corporation Governmental Profit-Sharing Plan & Trust Adoption Agreement (“ICMA DC Plan”). He said that ICMA had this document blessed by the Internal Revenue Service and that new participants set up their plans by indicating their choices for the DC plan. He then went through the entire document and described each choice for the DC plan that was proposed by the First Selectman and Laura Hancock, the Town’s ICMA representative. Discussion ensued over each choice and the PBB made the following changes to the DC plan document:

- Section III – changed from calendar year to fiscal year
- Section II – Effective date 7/1/2017
- Section V 1. – Retitle the “amendment” to clearly reflect that it is an attachment to the ICMA DC Plan
- Section V 2. – the DC plan will start immediately for new hires vs. waiting a year
- Section V – In terms of eligibility the document should make it clear that employees that aren’t immediately eligible must work at least 1000 in a fiscal year to qualify for participation, participation will commence after the 1000 hours have been achieved, and must be maintained at 1000 hours for each subsequent year.
- Within the voluntary contribution section, the variable employer match of participant contribution should be done pre-tax, not after-tax.

By consensus the PBB members agreed with the recommended changes which will be placed on the next regularly scheduled PBB meeting in April. No vote was taken during the special board meeting.

Next Chair Taylor asked for the document entitled Administrative Services Agreement between ICMA Retirement Corporation and the Town of Old Saybrook (“The ICMA Agreement”) be discussed. Paul Tracy began the discussion by asking about Section 6. Compensation and Payment (b) which outlined the compensation arrangement between ICMA and Vanguard Trust. Laura Hancock stated that the .55% per annum administration fee was paid to ICMA for plan administration and record keeping and that this fee was built into the total fees disclosed to investors. She said that total fees ranged from .96% to 2.26%, and that the .55% was included in these totals.

Finally, attorney Cohen gave a general overview of the proposed amendments to the DC plan, which included the ability of existing DB participants to migrate to the new DC plan. He described the circumstances under which eligible employees would be able to migrate. The PBB discussed the amendment and noted that unless the ability of existing DB participants to migrate into the new DC plan was included in contract negotiations, participants would not be able to take advantage of this opportunity.

A motion was made to adjourn the meeting by Carl Fortuna. The meeting adjourned at 4:05 p.m.

Respectfully submitted,

Lee Ann Palladino  
Recording Secretary for the Special Board meeting