

Old Saybrook Pension and Benefits Board  
Thursday, September 26, 2019  
**8:30 a.m.**  
First Floor Conference Room, Town Hall

### **Regular Meeting Minutes**

#### **Attendees**

Members Present:

Suzanne Taylor (Chair)

Lynn Dallas

Carl Fortuna, First Selectman

Paul Tracey

Rowena Moffett

David Sparrow

Others Present:

Lee Ann Palladino, Finance Director and  
Pension Plan Administrator

Janet Vinciguerra, Pension Board Liaison

Jennifer Donahue, Board Secretary

Tom Forma, Morgan Stanley Investment Advisor

Kevin Nichols, Morgan Stanley Investment Advisor

Joseph Matthews, Morgan Stanley Investment Advisor

Absent: Darrell Pataska

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

The meeting was called to order at 8:30 a.m. by Dr. Taylor. Mr. Nichols then introduced Mr. Matthews as a new member of the Morgan Stanley Centre Harbour Group team. No members of the public were present.

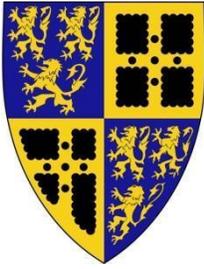
#### **Approval of the Minutes**

The minutes of the June 27, 2019 regular meeting of the board were reviewed. A **motion** was made by Mr. Fortuna and seconded by Mr. Tracey to approve the minutes as submitted. All were in favor and the motion was approved.

The minutes of the August 6, 2019 Pension & Benefits Board retreat were reviewed. A **motion** was made by Mr. Fortuna and seconded by Ms. Dallas to approve the minutes as submitted. Ms. Moffett commented that she thought that the retreat was informative and helped to lay out the goals for the new year. All were in favor and the motion was approved.

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

Dr. Taylor noted that the October meeting of the PBB is scheduled for the same morning as the bi-annual CT Public Pension Forum. After some discussion Mr. Fortuna made a **motion** to change the October meeting to Thursday, October 31 at 8:30 a.m. to accommodate any board members who would like to attend the forum. Ms. Moffett seconded the motion. All were in favor and the motion was approved.



The final version of the annual report was acknowledged. The complete annual report will be presented at the annual town meeting on November 25<sup>th</sup>. Dr. Taylor encouraged members to attend the meeting.

Dr. Taylor discussed the newly published *U.S. Public Pension Handbook* by Von M. Hughes. After perusing the book, she feels that the chapter on governance is most relevant to the PBB. A copy of that chapter will be made for all board members. Those wishing to read more of the book will have an opportunity to borrow it from Dr. Taylor when she is through with it or from the Acton Library if they decide to acquire it.

### **Pension Liaison Report**

Ms. Vinciguerra provided the Pension Payroll Status Report for August through October and reported on the DB and DC statistics. One new retiree was reported for the current month with two expected next month. Discussion of an overpayment issue for two fire department retirees was tabled until October.

### **Investment Advisor Quarterly Report**

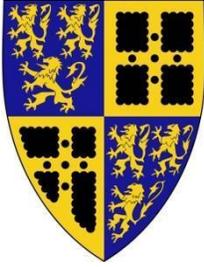
Representatives from Morgan Stanley Centre Harbour Group presented their quarterly investment advisor report. Mr. Nichols noted that Investments are up 6.85% and the Town's rankings versus those of its peers are very good. All managers are beating their benchmarks. He noted that volatility in the market is pushing people toward higher quality stocks and the Town's portfolio is already invested this way. Mr. Forma went over the new reports compiled at the request of Ms. Palladino, reviewing risk vs. benchmark, performance vs. benchmark, investment manager changes, guidelines for corrective action, and non-permissible investors. All were found to be within target ranges. An ongoing list of IPS review items will be kept to be discussed and addressed in April during the annual review of the IPS. All of the new reporting is meant to make it easier for members of the board to serve in their fiduciary capacities. Adding these reports to the quarterly report portfolio adds another layer of accountability for the investment advisors. Board members thanked the Centre Harbour Group and Ms. Palladino for their work on the revised reports which all agreed were helpful to the board in its review of plan performance.

### **ICMA Quarterly Report**

Mr. Tracey excused himself at 9:45 a.m. to attend another meeting and asked that his report be tabled until the October meeting.

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

Ms. Palladino went over her memo detailing the auto enrollment practices for the Town retirement plans. All employees are currently auto enrolled for 5% of their salaries, which the Town matches. They are eligible to opt in for an additional 3% with a town match. The additional 3% is voluntary. Ms. Palladino detailed reasons why she thought the system should remain as is including discrepancies between the way the program would have to be administered between the DB and DC plans as well as



the uncertainty of whether making the additional 3% an auto enroll option would be allowed under the current collective bargaining agreements. The motion that was tabled related to this issue at the June meeting was tabled again until the October meeting.

The remainder of Ms. Palladino's report related to the year-end financial report and the funding strategy for FY21 was tabled until the October meeting.

### **Old Business**

There was no old business.

### **New Business**

There was no new business.

A **motion** was made by Mr. Fortuna and seconded by Mr. Sparrow to adjourn. Meeting adjourned at 9:55 a.m.

Respectfully submitted,

Jennifer Donahue

***Next Meeting: Thursday, October 31, 2019, 8:30 a.m.***