

PENSION COMMITTEE
TOWN OF EAST WINDSOR
11 RYE STREET
EAST WINDSOR, CONNECTICUT

MINUTES OF SPECIAL MEETING
April 17, 2013 at 6:15 p.m.

Draft document – minutes are not official until approved at a subsequent meeting.

- Members Present:** Jason Bowsza (arrived at 6:15 p.m.), Jerilyn Corso (arrived at 6:27 p.m.), David King, Denise Menard, First Selectman, and Dale Nelson, Selectman.
- Members Absent:** Kathleen Bilodeau, Tom Stremper, Edward Bowsza, and Teresa Kane, Superintendent of Schools.
- Others Present:** Catherine Cabral, Pension Administrator/Treasurer; Edward DeMarco, Chief of Police; Roger Hart, Deputy Chief of Police; and Rebecca A. Seilman, FSA, of Milliman.
- Press:** No one was present at this Meeting.

I. Call to Order:

Chairman Bowsza Called the Meeting to Order at 6:15 p.m., and Reconvened the Meeting at 6:27 p.m. when a quorum was established.

II. Public Comment:

No one requested to speak during the Public Comment period of the Meeting.

III. Communication:

Nothing presented this evening.

IV. New Business/A. Discussion of Town Pension Defined Benefit/Contribution Plan:

Chief DeMarco, Deputy Chief Hart, and Ms. Seilman joined the Board at the table. Chief DeMarco summarized that presently the members of the Police Department participate in either of two benefit/retirement plans – the Defined Benefit Pension Plan, which is composed of personnel hired prior to July, 2007, or the Defined Contribution Plan, which includes personnel hired after that date. The plans differ in the amount of employee contribution, and the benefits received. Chief DeMarco noted that East Windsor has difficulty retaining trained personnel as many surrounding towns offer plans which provide significantly higher benefits. There are currently three officers who are expected to terminate employment within the next couple of weeks due to lesser benefits provided by East Windsor. Those officers represent four years, two years, and seven months of experience to the department.

TOWN OF EAST WINDSOR
Pension Committee – Special Meeting of April 17, 2013

Deputy Chief Hart noted as a management team he and Chief DeMarco have worked hard to bring in good people. There is a cost associated with training an officer and bringing him to the point of becoming a contributing officer to the community. Those costs include hiring costs, medical and psychological exams, life insurance/dental plans/workers compensation benefits, training through the Police Academy, State mandated fee for attendance at the Police Academy, uniforms, and salary; the approximate of cost to bring a new officer to service is \$48,000.

Chairman Bowsza questioned if the cost is the same for a lateral transfer? Chief DeMarco suggested the cost of the Academy training would be a savings but often lateral transfers are people pursuing a second career and plan to retire within 5 years.

Chief DeMarco advised the Board while 3 officers have expressed an intent to terminate their employment with East Windsor due to the lesser benefit package totally there are 8 officers impacted by the present benefits plans. They have met with employees to discuss plan options, and have come to present the two options known as Option A and Option A1.

Ms. Sielman presented the Board with a handout entitled “Town of East Windsor Pension Plan, April 17, 2013. She reported that the Defined Benefit Plan had been the plan offered to personnel until 2007, when it was found to be too expensive to maintain. New officers hired after July, 2007 became participants in the Defined Contribution Plan. Milliman was asked to look at plan options which would present a compromise of the current plans; after reviewing several options they are suggesting either Option A, or Option A1 as defined in the handout. Ms. Sielman suggested both plans provide comparable retirement income, with the employees paying a slightly higher cost towards their higher benefits. Ms. Sielman referenced charts reflecting comparable projected benefits for each of the options relative to the existing plans; essentially both new/optional plans provide identical employee benefits. She suggested either of the proposed options are a richer Defined Contribution Plan - a hybrid of the Defined Benefit Plan and the Defined Contribution Plan - at a modest cost increase. Both plans are cost-neutral regarding the Town contribution.

Ms. Cabral noted under the current Defined Benefit Plan employees are provided disability coverage; disability coverage is not provided to employees covered under the Defined Contribution Plan. Chief DeMarco suggested that the people covered under the Defined Contribution Plan are very worried about their eligibility for disability benefits. Disability coverage is addressed under either new option discussed.

Discussion continued regarding employees concerns for the ability to get credit for all of their services. An option being considered is that employees would be able to purchase the cost of their services.

Chief DeMarco reported they have been working with the union to advise them of the steps being taken, and the Options A and A1 being presented. The employees prefer

TOWN OF EAST WINDSOR
Pension Committee – Special Meeting of April 17, 2013

Option A. Selectman Menard noted the actuary has also suggested Option A is a better choice.

It was noted that while this discussion, and the options being offered, is specific to the Police Department similar comparisons will be worked up for the Dispatchers Union and the Public Works Union.

Ms. Cabral suggested the intent tonight is for the Board to consider if they would agree to move forward with the either of the plans discussed. Discussion followed regarding the timing of the effective date.

MOTION: To **APPROVE** moving forward with alternative combination Plan A Defined Benefit/Defined Contribution Pension Plan with a services purchase buy-in with an effective date of July 1, 2013.

Nelson moved/Bowsza seconded/VOTE: In Favor: Unanimous

V. Motion to Adjourn:

MOTION: To **ADJOURN** this meeting at 7:20 p.m.

Nelson moved/Corso seconded/VOTE: In Favor: Unanimous

Respectfully submitted,

Peg Hoffman, Acting Recording Secretary, Pension Committee