



Old Saybrook Pension and Benefits Board
Thursday, April 26, 2018
6:30 p.m.
First Floor Conference Room

Regular Meeting Minutes

Attendees:

Members Present:

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

Others Present:

- Lee Ann Palladino, Finance Director and Plan Administrator
- Janet Vinciguerra, Pension Board Liaison
- Tom Forma and Kevin Nichols, Morgan Stanley
- Timothy Kellogg, Board Secretary

Call to Order

Chairperson Taylor called the meeting to order at 6:34 p.m.

Public Comment

No public comment.

Approval of the Minutes of February 22, 2018

The minutes of February 22, 2018 were reviewed.

- A **motion** was made by Lynn Dallas and seconded by Ray Muratori to approve the minutes as presented. All in favor. Minutes approved as presented.

Welcome and Chair's Report

Chairperson Taylor made some comments and shared some articles. Chairperson Taylor reviewed the summary plan description. Ms. Palladino thanked Jennifer Donahue for her help with the summary plan revision. Several board members complimented the summary plan description. The board will review the summary plan description and share comments at the next meeting, along with a review schedule to be set up at the May meeting.

There was discussion of attendance plans for the CPPF conference in May.

The RFP for the actuary was discussed. The RFP has been circulated and is due by June 1. Results will be reviewed at the June Pension and Benefits Board meeting.

Investment Report – Tom Forma and Kevin Nichols

Tom Forma and Kevin Nichols provided the Morgan Stanley investment reports. Kevin reviewed the investment performance summary. Kevin reviewed bond manager performance. There was some discussion of Fire and Town pension plan performance. Tom reported on asset allocation performance for Invesco International Growth and discussion took place. Tom reported on gains and losses for Invesco over a ten-year period. Tom highlighted the Invesco performance for the past five years.

Preliminary discussion of the asset allocation study took place. Ms. Palladino reviewed input from Pension and Benefits Board members regarding the asset allocation (referencing asset allocation study pages 8 & 33). Discussion of asset allocation continued. Ms. Palladino discussed the 7.25% rate of return related to the asset allocation yield. Tom commented on volatility statistics (pg. 7 of the appendix). Discussion of asset allocation continued. Ms. Palladino noted the relationship between high yield investments and equity investments. Discussion of risk management and indexes took place. Discussion of the asset allocation survey took place. The Board gave direction to Morgan Stanley to move forward with asset allocation 60/40 version 1, which included high yield and emerging market equities. Tom Forma and Kevin Nichols will provide further information on the 60/40 version 1 asset allocation recommendation at the next meeting. Further discussion took place. Tom Forma and Kevin Nichols recommend the implementation of a bond ladder change.

A **motion** was made by Lynn Dallas and seconded by Paul Tracey to recommend Tom Forma and Kevin Nichols' proposal that half of the current portfolio be in Reinhart and the other in Eaton Vance. All in favor. Motion approved.

Carol Voigt left the meeting at 7:42 p.m.

Plan Administrator's Report

Ms. Palladino reported that ICMA plan adoption and DC plan documents were distributed for the board. Ms. Palladino provided an overview of the automation of manual pension plan card to automated (including employee pension cards, statements to actuaries). She noted that all of the work put forth would save numerous hours going forward. The assessment of the pension cards resulted several employees owing the pension plan back contributions and two employees that overpaid. Arrangement were being made through payroll to catch up employees that owe money. Carl Fortuna and Chairperson Taylor highlighted the efforts Ms. Palladino and her team in updating these pension records.

Pension Liaison Report

See attached summary sheet.

The DB plan summary plan description needs to be reviewed and updated. Ms. Vinciguerra was acknowledged for writing personal letters to pensioners

New Business

Paul Tracey will have a 457 investment report next month.

Next Meeting: Thursday, May 24, 2018 at 6:30 p.m.

Adjournment

A **motion** was made by Paul Tracey and seconded by Ray Muratori to adjourn. The meeting was adjourned at 8:12 p.m.

Respectfully Submitted,

Timothy Kellogg,
Board Secretary