

Old Saybrook Pension and Benefits Board
Regular Meeting, April 23, 2015
Meeting Minutes
Conference Room Town Hall

Members present: Suzanne Taylor, Ray Muratori, Paul Tracey, Lynn Dallas, Carol Voigt, and Carl Fortuna

Absent Members: Eileen Torrenti

Others: Tom Forma, Morgan Stanley; Chuck Petruccione, Brown & Brown; Sharon Migliaccio

Meeting was called to order at 7:02pm.

Suzanne Taylor welcomed all present and introductions were made. There were several retired employees from the town present including Ed Mosca, Tom O'Brien, Ron Baldi and Barbara Maynard, along with Board of Finance member Tom Stevenson.

Comments from public and Chair:

Suzanne Taylor recommends that the Pension and Benefits Board form a sub-committee to investigate and review the life insurance policy for the retirees of the Town of Old Saybrook as there has been some discrepancy and confusion as to the amount of individual life insurance policies and the insurance company the holds the policy. There have also been discussions to make the policy universal, moving forward, to keep premiums down as it has been discovered that because of the wide variety of policies provided by the town, the premiums are much higher having doubled and nearly tripled over the past few years because of inconsistencies between the policies.

Ed Mosca, retired Police Chief, said that he was present because his life insurance policy is in jeopardy of being reduced. When planning for retirement, he met with a financial planner and based on information provided by the Town at that time he made decisions for his pension benefit. He is concerned that the town is going to change that, thus undoing all of his planning from years ago.

Tom O'Brien, retired Assistant Police Chief, said that when he retired that he was promised a life insurance policy of half of that available as an active employee which would be equal to his normal salary. He is concerned because now the town is considering reducing the amount of his policy by half. He stated that he is concerned as this is potentially taking money away from his family when he passes.

Ron Baldi, Old Saybrook Fire Department, was there to support both Ed and Tom.

Discussion continued and all were informed that of the 43 retirees that the Town pays the premiums for these policies, that only 15 seem likely to have a benefit reduction other than expected and promised to them. Carl Fortuna indicated that the selectmen are considering various options.

Brown & Brown is the current insurance broker for the Town and has been since 2012. Prior to them, other insurance companies were involved.

Another retiree, Barbara, presented information that she brought with her that showed her life insurance policy. She shared that the original certificate was from Great West Life Insurance during her employment. When she

retired, the policy came from Boston Mutual Life. Barbara's concern is that neither of those insurance companies is in existence and she feels that yearly or every other year, the Town should provide a statement to each retiree disclosing where their benefits are held.

Suzanne Taylor again expressed her recommendation for a subcommittee to investigate the life insurance policy issues.

Lynn Dallas made a motion to establish a subcommittee to bring a recommendation to the Board regarding the discrepancies between life insurance policies for retirees for the Town of Old Saybrook. Carol Voigt seconded the motion. All voted in favor and the motion passes. Suzanne Taylor asked that Ray Muratori, Lynn Dallas and Carl Fortuna be the subcommittee and they agreed. .

Further discussion regarding the life insurance policies was then postponed.

Minutes of Past Meetings:

Ray Muratori made a motion to accept the minutes from the March meeting. Lynn Dallas seconded the motion. All voted in favor and the minutes were accepted.

Carol Voigt made a motion to accept the minutes from the January meeting. Paul Tracey seconded the motion. All voted in favor and the minutes were accepted.

Of note, Carol Voigt and Suzanne Taylor attended the Memorial Reception last Sunday in honor of Vicky Duffy, former Park and Rec. Director.

CPPF Seminar: If any members are interested in attending the upcoming CPPF seminar on May 6, they should let Sharon Migliaccio know as soon as possible.

Study of Pension Plan:

Suzanne Taylor had the opportunity to speak with two different associates from Nyhart Actuaries regarding the pension redesign. Nyhart Actuaries serve several towns in Rhode Island as well as CT. The two individuals she spoke with recommended that the Town make several decisions before hiring an actuary company to do a study of the Retirement Plans; narrow down what the Town is looking for such as do we want to freeze the existing pension plan; implement a Defined Contribution plan or a hybrid plan.

Nyhart associates explained that the cost would be lowest from the existing actuary to do the study as they have all of the existing information – a potential savings of approximately \$5000. The Board agreed that the study needs to be done and that we should get it underway by the fall so that decisions can be made and implemented before the next fiscal year. Discussion continued regarding collecting three different bids. Paul Tracey noted that it would be nice to get an opinion from an objective source. Milliman submitted a proposal for a study about a year ago. The report from that RFP will be distributed prior to the May meeting.

Investment Reports:

Tom Forma had invited a representative from Delaware Investments to attend our meeting. We were able to contact Brian via speakerphone. Brian explained Delaware's philosophy. He informed the Board of the reason

why funds are chosen for the Old Saybrook Pension Plan. He also explained about the high turnover and the reasons behind the turnover.

Tom Forma then shared the financials of the Pension Plan with the group. All is doing well and the fund is still over \$20 million. There was a question from Ray Muratori as to why corporate plans are weighted heavier in bonds than a municipal plan. Tom explained the differences between the two types of plans.

Brown & Brown Reports on Health Insurance with Connecticare and other benefits followed:

Chuck Petruccione shared that the health insurance contract with Connecticare is up for renewal in July. Chuck passed out a health insurance comparison between Connecticare this year and next year as well as Anthem, up for consideration for next year. Chuck explained that for 2015 the rules and regulations are different than they will be for 2016. He explained that the Town may want to consider joining with other municipalities or groups for better insurance premium rates in 2016. Chuck shared that currently the Board of Education is part of a group that includes LEARN and other town Boards of Education – they are what is called a “co-op”. Larger numbers of insured yields better premiums. The Board agreed to consider the choices before them as well as consider becoming part of a “co-op” in the coming years.

Actuarial Matters:

Suzanne Taylor received a bill from Milliman for actuarial services which included benefit calculations for new retirees as well as a bill for the review of the Old Saybrook Fire Department draft of their Pension Summary.

Lynn Dallas made a motion to pay the bill presented to Milliman. Ray Muratori seconded the motion. All voted in favor and the motion passed.

Donna Ladner is retiring as well as Ron Selines. Ron Selines is with the Old Saybrook Fire Department.

Suzanne Taylor reminded the Board that the next meeting will be on May 28th.

Carl made a motion to adjourn at 9:15 pm. The meeting was adjourned.

Respectfully submitted,

Kathy Duncan, Secretary