

Old Saybrook Pension and Benefits Board
Regular Meeting, September 24, 2015
Meeting Minutes
Conference Room Town Hall

Members present: Suzanne Taylor, Carol Voigt, Paul Tracey, Lynn Dallas, Eileen Torrenti

Absent Members: Carl Fortuna, Ray Muratori

Others: Tom Forma and Kevin Nichols Morgan Stanley; Sharon Migliaccio

Meeting was called to order at 7:02pm.

Suzanne Taylor welcomed all present and introductions were made.

Minutes of June 25, 2015

Motion to accept minutes by Paul Tracey. Seconded by Lynn Dallas. All in favor. Motion passed.

Chair's Report:

Suzanne Taylor reported that she and Lynn attended the OPED Conference in Newport, RI. Lynn shared that the conference was very valuable and that most interesting was the State Treasurer Panel with discussions about paid employees vs. volunteers, risk vs. reward, as well as the Hedge Fund discussion.

Suzanne Taylor reported that there will be a CPPF meeting at Waters Edge on October 28 at 8:30 am. All members are welcome and encouraged to attend. If members plan to attend, please let Sharon know by mid-October.

Website improvements were noted. All agendas as well as minutes are now readily available on the website. There was discussion on posting the Annual Report on the website as a means for communication. All agreed that all town employees including the OSPD, OSFD and Town of OS employees would have access to the report and could be notified via email. It was noted that Larry Hayden has been the person that has improved the website and made postings available quickly.

Old Business: Status of Life Insurance Benefits

Chuck Petruccione of Brown & Brown says that the adjustments are "Not ready to be acted upon yet." There are a few more re-adjustments being made. All town retirees will get a life insurance policy that is half of what their salary was at the time of retirement.

Retirements and departures:

Former town employee Martin Hills recently passed away. This is very sad news and the Board wishes to express their sympathy to his family.

Eugene Heiny has retired after 38 years of service to the OSPD. The Board wishes to congratulate him on his retirement.

James Kiako has left the OSPD after several years to return to his engineering career with Electric Boat.

Bills:

Milliman sent a bill for work performed in August. Suzanne Taylor authorized Sharon Migliaccio to pay the bill. The Board agreed.

James Stone continues on disability. He has been notified that he needs to provide his eligibility to the Board each year.

Carl Fortuna recently hosted a Freedom of Information session. It is noted that the Secretary has 48 hours to post motions and 7 days for the minutes. Also, the agenda must be posted 24 hours before a meeting.

There is an upcoming Ethics Committee meeting on December 2, 2015 at Acton Public Library.

Other:

Discussion on how much is spent on retirees. 69.5% comes from investments, 6 ¾ % comes from the Town's contribution and the rest is from the employees. Recently there were two large checks from the Town issued to the Town's Pension Cash Account. These checks were voided per Bob Fish because the checks should have been issued to Morgan Stanley. No new checks have been issued to Morgan Stanley. Morgan Stanley has sent their usual quarterly deposit to the Town's account for the regular distribution. Lynn Dallas asked if there was a written policy regarding these transactions. The Board is concerned about Bob Fish's message to issue the checks and then to void them. Paul Tracey will ask Carl Fortuna about this item. See attached email message.

Actuarial Matters:

The Board has been presented with two different proposals for the Pension Reform Study. One proposal is from Nyhart and the other from current Actuary, Milliman.

Suzanne Taylor telephoned Matt from Nyhart to give his proposal to the Board. The Board had previously been sent the proposals and Matt offered to answer any questions. Several questions were asked and answered. There was a new lower price offered to the Board from Nyhart to do the study of \$12,500 – dropped from \$14,000. Nyhart also indicated that the price may even be lower if the time spent creating the draft took less time than anticipated. Nyhart indicated it would take about 6 weeks to provide a plan draft to the Board. The Board thanked him for his time and indicated they would be back in contact soon regarding their decision.

Next telephoned was Steve from Milliman. The Board was also sent the Milliman proposal in advance and Steve offered to answer any questions. Questions were asked and answered. There was much discussion over what type of plans should be offered, where Steve's experience was and what he would possibly recommend. Milliman's proposal, which is a proposal that had been previously drawn up, is offered at the same price as before at \$10,000. The Board thanked Steve for his time and indicated that they would be in contact again soon regarding their decision.

Paul Tracey posed a question to the Chair as to what is our goal with the study? There was much discussion and it was said that the high level goal is to stabilize costs and lower the ongoing funding costs. Additionally,

consideration must be given to the financial side (Town) vs. the benefit implications (employee). The Board discussed both options and the pros and cons to both. Fresh set of eyes vs. historical knowledge. There was discussion on choosing one of the two companies to do the study.

There was a motion made by Lynn Dallas to table the discussion on the Pension Reform Study to the next meeting by which time we will have developed explicit goals. Paul Tracey seconded the motion. All voted in favor and the motion passed.

Investment Reports:

Tom Forma and Kevin Nichols presented a summary of the Morgan Stanley report that had been sent to the Board ahead prior to the meeting. Overall, the fund is down .41% for the calendar year; down 3.97% for the fiscal year. It was noted that John Hancock, who had been doing the worst in January, is now the top performer and is up 3.37% to date, calendar year. Tom Forma reminded the Board that sometimes those who are heroes one month are the dogs the next.

There was discussion over the volatility in the market over the last several weeks. Kevin Nichols noted that there was some unusual names that were volatile such as Disney and Apple. He indicated that they were not usually affected by market swings as we have had recently but were this time and that was unusual.

The Healthcare Fund was discussed next. There needs to be a change due to compliance and the Board needs to change a fund. The gentleman presented information on Davidson who is a conservative growth fund. They indicated that a growth type fund makes sense and overall Davidson has a smoother trend without enormous peaks and valleys regarding performance.

The Board thank both gentlemen for their time and insight. There was discussion over what manager was coming to the next meeting. All agreed that Davidson would be the next either by phone or in person.

The next meeting is Thursday, October 22, 2015. Reminder that the November meeting will be on Wednesday, November 19th – the week before Thanksgiving.

A motion to adjourn was made by Carol Voigt and was seconded by Paul Tracey. All agreed, meeting was adjourned at 9:35pm.