

**Old Saybrook Pension and Benefits Board Thursday, February 23, 2017**  
**6:30 p.m. Town Hall Conference Room**

Members Present: Suzanne Taylor, Lynn Dallas, Carl Fortuna, Ray Muratori, Carol Voigt. Others present: Accounting Liaison Janet Vinciguerra, Finance Director Lee Ann Palladino, Secretary Timothy Kellogg. Financial Consultants: Tom Forma and Kevin Nichols (Morgan Stanley).

**Welcome**

Chairperson Taylor welcomed board members and financial consultants to the meeting. The meeting was called to order at 6:34 PM.

Chairperson Taylor read a letter from Becky Sielman (Milliman) noting the Actuarially Determined Contribution for fiscal year 2017-2018 report. Lee Ann Palladino will distribute the actuarial report to the board electronically and hard copies were also distributed to those present.

**Minutes**

The minutes of the January 26, 2017 meeting were reviewed by the board.

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

**Chair's Report**

Chairperson Taylor reported that Eileen Torrenti has resigned from the board.

A **motion** was made by Carl Fortuna and seconded by Ray Muratori to recognize Eileen Torrenti for her years of service. All in favor. Motion approved. Discussion of the recognition took place.

Discussion of the new board member took place. Carl Fortuna shared that Attorney Rowena Moffett will join the board as a new member.

Chairperson Taylor noted that there will be a CPPF meeting in Hartford in early May.

A correspondence from James Oliver, sent to Carl Fortuna, regarding interest in providing financial management services was noted for the record and discussed. Lee Ann Palladino will send Mr. Oliver the board's response to his inquiry.

Brief discussion took place to include public comment on future meeting agendas.

Chairperson Taylor shared the passing of Eileen Zitnik whose beneficiaries will receive the life insurance policy payment. Janet reported that the family had already contacted the office and returned the February pension payment. Discussion took place on the follow up process and related details regarding the passing of retirees.

The passing of Paula Palmieri was acknowledged and briefly discussed.

**Finance Director's Report**

Lee Ann Palladino provided a brief financial report for the board. Lee Ann reported that Janet Vinciguerra will be serving the board as the Pension Liaison. Lee Ann had no budget updates at this time. She confirmed that the town's actuarial determined contribution to the pension plan is at 8.25%, which does include the Board of Education contribution as well. Discussion of the budget took place. Chairperson Taylor commented on the

Governor's interest in having all school boards be responsible for contributing a share of the cost of funding teacher pensions. Discussion of the town's liability and the current relationship of OPEB calculations including some of this liability.

Carl Fortuna stepped out of the meeting at 7 PM.

The financial report was turned over to Janet Vinciguerra for comment and she provided the board with a written report of some of her pension activities, which included updates for applications in process, pension buybacks, and the receipt of employee benefits statements from the actuary. Discussion took place about pension contributions and contribution timing. Janet continued her report. Chairperson Taylor commented that she would like an updated copy of the overall spread sheet of employee benefits. Janet continued her report.

### **Morgan Stanley Financial Report**

Tom Forma and Kevin Nichols, of Morgan Stanley, provided an investment report for the board. Tom reported on the time weighted performance summary. The overall month-to-date rate of return is up 2.69%. The FYTD rate of return is up 8.41%. Discussion took place on the performance.

### **Old Business**

Chairperson Taylor brought the discussion on the effects of inflation from 2008-present before the board. Discussion took place on the subject of a one-time inflation adjustment. Lee Ann addressed the effects of inflation and indicated that money is not managed to meet inflation, but to focus on rate of returns. Tom Forma indicated that an assumption of inflation and pay raises are taken into account in the investment strategy. Further discussion of an inflation adjustment took place. Carl Fortuna returned to the meeting. Janet Vinciguerra will provide an update on pension payroll for next month to Carol Voigt and the Board.

Pension reform discussion took place. Carl Fortuna reported on recent updates. Carl Fortuna proposed a special meeting with Attorney Cohen of Shipman and Goodman and Laura Hancock from ICMA to come and give a presentation on a plan proposal. Carl Fortuna provided brief highlights of the proposed plan that will be discussed at the special meeting. Chairperson Taylor inquired about plan implementation. Discussion continued. Discussion of a special meeting took place. A special meeting was tentatively set to take place Thursday April. 6, 2017 at 2PM.

Tom Forma and Kevin Nichols left the meeting at 7:48PM.

Discussion of the Messner pension application took place. Janet Vinciguerra noted the processing steps that have been completed. Chairperson Taylor shared a note from Becky Sielman on the subject. Extensive discussion took place. Carl Fortuna will ask the doctor if Mr. Messner meets the plan definition of permanently and totally disabled. Discussion continued and will be resumed. Meanwhile his early retirement application is being processed effective Feb. 1, 2017.

### **New Business**

Next Meeting: March 23, 2017 at 6:30 PM

A **motion** was made by Carl Fortuna and seconded by Ray Muratori to adjourn the meeting at 8:04 PM. All in favor. Meeting adjourned.

Respectfully Submitted,  
Timothy Kellogg

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