

TOWN OF OLD SAYBROOK

302 Main St.
Old Saybrook, CT 06475

PENSION AND BENEFITS BOARD
Thursday, May 25, 2017 6:30 PM
First Floor Conference Room

In Attendance

Board Members: Suzanne Taylor (Chairperson), Carl Fortuna, Lynn Dallas (via conference call), Ray Muratori, Paul Tracey, Carol Voigt, Rowena Moffett. Consultants: Lee Ann Palladino (Finance Director), Janet Vinciguerra (Accounting Liaison), Tom Forma and Kevin Nichols (Morgan Stanley). Others: Timothy Kellogg (Recording Secretary).

Welcome and Public Comment

Chairperson Taylor welcomed board members and consultants to the meeting. The meeting was called to order at 6:30 PM.

There was no public present for comment.

Minutes

The regular meeting minutes of April 27, 2017 were reviewed. A **motion** was made by Carl Fortuna and seconded by Ray Muratori to approve the minutes as corrected. Discussion of corrections took place. All in favor. Minutes approved as corrected.

Chair's Report

Chairperson Taylor reported on the CPPF conference and had some discussion with attendees. Attendees included Carol Voigt, Lynn Dallas, and Suzanne Taylor. Carol commented on the conference and highlighted the Mark Boughton presentation. Chairperson Taylor also shared her experience from the conference.

It was noted with regards to a pending disability issue that there have been no updates in the Messner case.

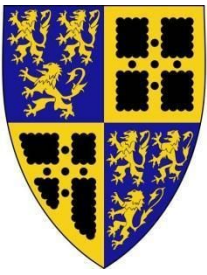
It was briefly noted and discussed that the board's attorney, Mr. Cohen, is reviewing the details of a legal interpretation of a retirement benefit for a firefighter returning to active status and Mr. Cohen will write a memo for the board.

Other

Chairperson Taylor noted Sargent Jay Rankin's eligibility for longevity and education pay being included in his retirement calculation and approved by First Selectman Carl Fortuna and Finance Director Lee Ann. His application was approved.

Chairperson Taylor presented a bill from Milliman for actuarial services for over \$4,000.00. A **motion** was made by Carl Fortuna and seconded by Ray Muratori to approve payment of the Milliman bill. Discussion of the bill took place. All were in favor of paying the bill.

Carl Fortuna shared that he had referred Liz Myers' request to provide AIG information services on planning for



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retirement to the town employees. A copy of the proposal was shared with the board and Carl agreed to send an electronic copy of it to the board for review.

Bob Fish's application for retirement was discussed. A **motion** was made by Carl Fortuna and seconded by Ray Muratori to add to the agenda the discussion of Bob Fish's retirement application. All in favor. A **motion** was made by Carl Fortuna and seconded by Paul Tracey for the board to authorize Chairperson Taylor to finalize the pension documents for Bob Fish. All in favor. The motion approved on the basis that the position of a full time Treasurer is no longer necessary due to the realignment of the Accounting Department. From now on less than 1200 hours or work will be necessary to fulfill the position..

Financial Reports

Director of Finance Lee Ann Palladino reviewed current issues related to the Town Budget. Lee Ann highlighted that the retiree payroll is being brought in house. Lee Ann also discussed the new accounting software, automation of processes and the use of a database to update record keeping methods.

It was noted that the OPEB trust update discussion will be postponed until the June meeting. Lee Ann Palladino provided the board a draft document describing a plan administrator's duties.

Other

Discussion of updating pension plan documents took place.

Janet Vinciguerra reported on retirement matters for the month of May. Carl Fortuna commented on the long term cost savings of bringing payroll in house (point III of Janet's report). Discussion of the Nationwide 457 plan took place.

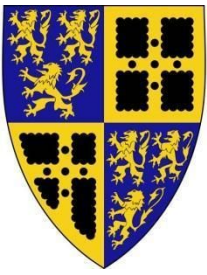
A **motion** was made by Carl Fortuna and seconded by Paul Tracey to approve Janet Vinciguerra's recommendation concerning the last paycheck for deceased retirees and the correction of past practices. In accordance with article VII of the Pension Plan, "Form and Payment of Benefits," payment of benefits will "[cease] with the last payment due immediately preceding the Retired Participant's death." It is recommended that, "the Town should no longer request the last benefit check be returned unless the retiree's date of death is at the end of the month, after the payment for the following month has been submitted." All in favor. recommendation approved.

ICMA updates

Paul Tracey shared about Laura Hancock's visit to discuss investment options with Town employees. There were three attendees. Discussion took place. Paul will contact Chief Spera concerning the possibility of having Laura Hancock visit the Police Headquarters to provide personal consultations.

Morgan Stanley updates

Kevin Nichols and Tom Forma reported on the weighted performance summary and the town rate of return is up to 10.05%. It was noted that the Fire plan rate of return is in the booklets that were mailed out to the board. Discussion took place.



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Tom and Kevin reported on the proposal for the replacement of Eaton Vance. Potential managers were reviewed. Kevin highlighted Aristotle Capital Management. Tom addressed market risk options, emphasizing that the question is, "Where do you want to be on the downside?" Tom addressed the gains needed to come back from a downside. Kevin highlighted testing manager performance. Tom continued discussion of manager performance. Kevin reviewed manager combination options. Discussion with the board took place about overall impact. The board would like to see what combining Aristotle and JP Morgan will do and Morgan Stanley's recommendation of Equity Investment & JP Morgan. Further review will take place at the next meeting. Tom and Kevin left the meeting at 8:39 PM.

Old Business

The status of the new DC 401a plan was briefly discussed and a final copy of the plan document will be produced for presentation to the Board of Selectmen.

The Summary Plan Description was briefly discussed. As yet no examples of good plan descriptions have been found nor has ICMA indicated if their marketing department can be helpful.

Potential options for Disability Insurance carriers is in process. Lee Ann is investigating this further with our health insurance brokers Brown and Brown.

The board postponed discussion of the review of the impact of new GASB Regulations on our OPEB plan trust. It was mentioned that even though retiree health insurance is no longer provided to new hires the responsibility for teacher health insurance constitutes about 30% of our liability along with life insurance costs for all employees. There remains a need to provide updated list of those receiving life insurance in retirement.

The COLA discussion was postponed.

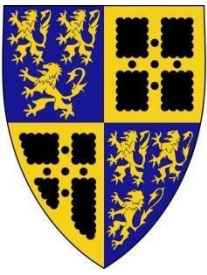
New Business

Retiree health care was briefly discussed by Chairperson Taylor re those eligible for social security's medicare.

Next Meeting Thursday, June 22, 2017

A **motion** to adjourn was made by Carl Fortuna and seconded by Ray Muratori at 8:46 PM.

Respectfully Submitted,



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Timothy Kellogg,
Board Secretary