

**TOWN OF STONINGTON
RETIREMENT BOARD**

August 13, 2013

The Stonington Retirement Board held a special meeting on this date at 1:30 p.m., at the Stonington Police Station. Board members present were: Maryanna Stevens, Chairman; and John O'Brien. Frank Todisco was present via telephone. Also in attendance were Christopher Rowllins and Devon Francis representing Fiduciary Investment Advisors (FIA); and Bill King, BOE Operations Manager.

The meeting was called to order at 9:02 a.m.

Ms. Stevens stated that the BOE, at their next meeting, will be recommending Bill King to the Board of Selectman for appointment to the Retirement Board as the BOE representative. Mr. King will replace Judy Samokar. Ms. Stevens stated that there is still one more vacancy (member-at-large) on the Retirement Board.

Review of Fund Performance:

Mr. Rowllins distributed the 2nd Quarter Investment Review to the Board. The report is on file in the Department of Administrative Services. He gave an overview of the Market and Economic Factors, which are incorporated in the report. Ms. Francis reviewed the Total Plan Performance Summary (copy attached). Bank of America provided the information prior to June 30, 2013. Going forward from that date, F.I.A. will provide the plan performance information. Ms. Francis stated that the first round of trades with Bank of America were done on June 12, 2013 and the rest were done on June 17, 2013.

Ms. Stevens stated that FIA has agreed to be the consultant for the Town's 457, which is optional, and the proposed 401(a) plan.

Mr. O'Brien made a motion to accept F.I.A.'s report. Mr. Todisco seconded and it was unanimously voted.

Approval of Defined Contribution (DC) Plan Vendor:

Ms. Stevens stated that she, along with Vin Pacileo and Sherrill Krynich, interviewed both ICMA and ING as vendors for the proposed DC plan. She continued that the Finance Directors for the Towns of Manchester and Colchester both had favorable comments about ING and were pleased with the level of service provided. Ms. Stevens stated that ING's presentation best fit the needs of the Town.

Mr. O'Brien made a motion to accept ING as the Defined Contribution Plan vendor. Mr. Todisco seconded and it was so voted.

Recommendation of DC Plan to Board of Selectmen:

Ms. Stevens stated that the Ordinance to adopt a Defined Contribution (DC) Plan will go to Town Meeting for approval on August 26, 2013. She received confirmation from Atty. Bruce Barth, the Town's pension attorney, that once the ordinance is adopted, the Board of Selectmen

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can adopt the Defined Contribution Plan. The Plan itself does not need Town Meeting approval. The DC Plan and Adoption Agreement will be available at Town Meeting, along with the DC plan analysis that Bill Woollacott, the Town's Actuary, provided to the Retirement Board. The Plan will go to the Board of Selectman on September 11, 2013, for approval and will be effective September 15, 2013. Ms. Stevens restated the major provisions of The Plan that the Retirement Board voted in favor of at its May 23, 2013 meeting, which are: 5% Town contribution; 3% employee contribution; 5-year cliff vesting; no loans; no hardship withdrawals. Rollovers will be allowed and will be separately accounted for. There are two choices for distribution, one of which is, upon request, and the other in accordance with the provisions of the Town's DC Plan. Mr. Todisco asked if rollovers are common practice. Mr. Rowlins stated that they are common practice and that most towns make the distribution from rollovers consistent with their DC plan. It was the consensus of the Board that the distribution of a rollover should be consistent with the Town's plan.

Mr. O'Brien made a motion to accept the Adoption Agreement for the 401(a) Defined Contribution Plan and the Plan Summary to be presented at Town Meeting on August 26, 2013. Mr. Todisco seconded and it was unanimously voted. As stated prior, the ordinance to establish a DC Plan will be forwarded to Town Meeting by the Board of Selectmen for approval and the Plan itself will be adopted by the Board of Selectmen.

Discussion of COLA for Defined Benefit (DB) Plan:

Ms. Stevens stated that the last COLA given retirees was in 1999, since there are no built-in COLAs in the DB Plan. She stated that she can have Bill Woollacott do a cost analysis on the impact of a one-time COLA and asked the Board members if they wanted her to pursue it. It was the consensus of the Board to have the cost analysis done. Ms. Stevens will ask Bill Woollacott to prepare the analysis for the next Retirement Board meeting.

Approval of Proposed Amendments to Defined Benefit Plan & Recommendation to BOS:

Ms. Stevens stated that there are amendments to the Defined Benefit Plan that will need to be approved at Town Meeting. The changes are as follows:

- To provide that only individuals who became an Employee prior to September 15, 2013 are eligible to participate in the retirement plan except as provided in a collective bargaining agreement.
- To exclude from the Retirement Plan's definition of Annual Compensation, any payment in lieu of a benefit or an allowance.
- To provide that, in the event that a Member dies and has not named a beneficiary, or the named beneficiary has predeceased, the beneficiary will be the spouse, if any, and if not, the Member's estate.
- To permit Employees to commence retirement benefits on or after normal retirement date while continuing to work part-time.
- To make certain technical changes due to changes in the law.

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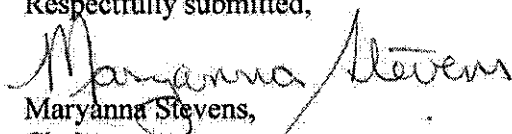
Mr. O'Brien made a motion to forward to the Board of Selectmen the proposed amendments to the Defined Benefit Plan. Mr. Todisco seconded and it was so voted. The Board of Selectmen will forward the proposed amendments to Town Meeting on August 26, 2013, for approval.

Approval of Minutes of 05/23/2013 Minutes:

Mr. Todisco made a motion to approve the Minutes of the 05/23/2013 meeting. Mr. O'Brien seconded and it was unanimously voted.

There being no further business to come before the Board, Mr. O'Brien made a motion to adjourn. Mr. Todisco seconded and it was unanimously voted. The meeting adjourned at 2:40 p.m.

Respectfully submitted,


Maryanna Stevens,
Chairman

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