

**TOWN OF GUILFORD
PENSION COMMITTEE
REGULAR MEETING (#395)
WEDNESDAY - FEBRUARY 19, 2020
8:00 A.M. – TOWN HALL, 2ND FLOOR CONFERENCE ROOM**

Present: Pension Committee: Chairman, Ray Bower; Steve Kops, Peter Goletz and Deborah Spalding (8:05)

Town Officials: Matthew Hoey III, First Selectman; Mitch Goldblatt, Human Resources Director; Maryjane Malavasi, Finance Director; Sharon Milroy, BOE Benefits Administrator

Others: Christopher Kachmar, FIA; Robert Lowry, FIA; Kate Pizzi, FIA; Timothy Bitsberger TCW; IAFF Union Attorney Chip Walsh and IAFF President Steve LaPaglia

1. The meeting was called to order at 8:00 am by Chairman Ray Bower.

2. Public Forum:

None

3. Approval of:

3.1 January 8, 2020

Motion: Upon a motion by Steve Kops and seconded by Peter Goletz, the Committee voted to approve the January 8, 2020 minutes as written.

In favor: Ray Bower; Steve Kops; Peter Goletz

Abstain: None

Opposed: None

4. Finance Director's Report

4.1 Monthly Investment Report

Finance Director Maryjane Malavasi reviewed the January Pension Investment Report with the Committee. The Total Fund balance is \$69,483,726.88 for January. Ms. Malavasi said she added a line for the fiscal year balance as recommended by Mr. Hoey. Ms. Malavasi said they are down slightly from last month. They did receive a small amount left over from the old Wells Fargo.

5. Old Business:

5.1 Update on Employee Defined Contribution Plans:

Mitch Goldblatt noted there is very little change. The Board of Education added people to the Defined Contribution Plan. He reported that the Third Amendment to the Town Pension Plan was approved by the Board of Selectmen on January 21st. There is one more being worked on with regard to changes in pension

payouts and employee contributions. While these are being followed in the collective bargaining agreements they need to be outlined in the pension plan. It is currently being reviewed by counsel and hopefully will be ready for the next meeting in March.

Mr. Goldblatt also noted that the Board of Selectmen during the budget process approved the actuarial recommended contribution and the decrease in the assumption rate from 6.5% to 6.25% as well as the changes in the mortality tables. Ms. Malavasi added that the Board of Education also made the actuarial recommended contribution.

Mr. Bower asked where things stood with regard to OPEB.

Ms. Malavasi explained that the lawyers are still putting together the trust fund documents. They hope to have everything in place by the end of the fiscal year.

6. New Business:

- 6.1 Approve Request for Distribution from the BOE Pension Plan for Carol McCormick; Paraeducator-Guilford High School.** Date of Hire: August 27, 2012, Date of Birth: March 1, 1952, Date of Retirement: December 27, 2019; Date of Commencement: January 1, 2020. Pension Benefit Option: Lump Sum of \$58,715.08.

BOE Benefits Administrator Sharon Milroy noted a correction to the agenda, Carol McCormick is a Nurses Assistant not a paraeducator. She also explained that her initial date of hire was August 25, 2008 for full-time. She went to part-time on August 24, 2010 and then back up to full-time on August 27, 2012.

Motion: Upon a motion by Deborah Spalding and seconded by Steve Kops, the Committee voted to approve the Request for Distribution from the BOE Pension Plan for Carol McCormick; Nurses Assistant-Guilford High School, Date of Hire August 25, 2008, Date of Birth: March 1, 1952, Date of Retirement: December 27, 2019; Date of Commencement: January 1, 2020. Pension Benefit Option: Lump Sum of \$58,715.08.

In favor: Ray, Bower, Steve Kops, Deborah Spalding and Peter Goletz

Abstain: None

Opposed: None

- 6.2 Approve Request for Distribution from the BOE Pension Plan for Karen Tamulis; Administrative Assistant to Special Services.** Date of Hire: August 31, 2000, Date of Birth: September 25, 1955, Date of Retirement: February 6, 2020; Date of Commencement: March 1, 2020. Pension Benefit Option: 100% Joint and Survivor; Monthly Amount of \$1,011.22.

Motion: Upon a motion by Deborah Spalding and seconded by Peter Goletz, the Committee voted to approve the request for distribution from the BOE Pension Plan for Karen Tamulis: Administrative Assistant to Special Services, Date of Hire: August 31, 2000, Date of Birth: September 25, 1955, Date of Retirement: February 6, 2020; Date of Commencement: March 1, 2020. Pension Benefit Option: 100% Joint and Survivor; Monthly Amount of \$1,011.22.

In favor: Ray Bower, Steve Kops, Deborah Spalding and Peter Goletz

Abstain: None

Opposed: None

6.3 Approve Request for Disability Pension Distribution from the Town of Guilford Employee's Pension Plan for Kyle Winters; Full-Time Firefighter/ Paramedic. Date of Hire: February 25, 2008, Date of Birth: June 10, 1986, Date of Termination: January 7, 2020; Date of Commencement: February 1, 2020. Pension Benefit Option: Single Life Annuity; Monthly Amount of \$2,193.07.

Mr. Goldblatt explained that Mr. Winters sustained an injury on October 5, 2015. He has been out of work since that time and getting paid through normal channels. He cannot come back as a firefighter and has requested a disability pension, which is different than a line of duty disability pension. He read the portion of the pension plan to the committee that applies to this request. Mr. Goldblatt said he has documentation from doctors that he can no longer work as a firefighter. There has been extensive discussion between the commission, the insurance company and Mr. Winters about this and he has requested the Disability Pension Distribution.

Mr. Walsh explained that Mr. Winters has also applied for a line of duty disability pension, because they believe these are work related injuries, but that case is still pending. He added that they would like to reserve the right to come back to the committee if the injuries are deemed to be work related so it could then be converted to a line of duty disability pension.

Mr. Bower asked if it was premature for the committee to be acting on this with the other case pending.

Mr. Goldblatt said they would like to go forward at this point. This would provide him some income and the other case may not come to pass. There is no problem going forward today and he can always come back if things change.

Ms. Spalding asked if the insurance company is on board with this.

Mr. Goldblatt said that he is entitled to this as a minimum so there is no harm or risk. If he wins the workers' compensation claim then he can come back and the committee can have a full discussion on whether you determine it to be an line of duty injury for pension purposes.

Motion: Upon a motion by Steve Kops and seconded by Deborah Spalding, the Committee approved the Request for Disability Pension Distribution from the Town of Guilford Employee's Pension Plan for Kyle Winters; Full-Time Firefighter/Paramedic. Date of Hire: February 25, 2008, Date of Birth: June 10, 1986, Date of Termination: January 7, 2020; Date of Commencement: February 1, 2020. Pension Benefit Option: Single Life Annuity; Monthly Amount of \$2,193.07

In favor: Ray Bower, Steve Kops, Deborah Spalding and Peter Goletz

Abstain: None

Opposed: None

7. FIA Investment Advisors

7.1 Update on TCW/MetWest fixed income strategy

Timothy Bitsberger of TCW reviewed with the Committee the TCW/MetWest fixed income strategy. He noted the company has \$217 billion in assets and \$200 billion of that is in fixed income. He then went over the employee structure and how they manage money. Mr. Bitsberger said that 2019 was an extraordinary year for equity returns. He then went over the current positioning and noted that there have been no changes in the core group of investors. Looking forward economically there is a declining trend in retail sales. Credit card debt has hit an all-time high, but it is not like the economy is taking off, which is what you would expect.

7.2 4QTR Report

Christopher Kachmar of FIA explained that their firm would be merging and combining forces with the Chicago investment firm of DiMeo Schneider & Associates. He noted that they are a very similar firm. They have \$96 billion in assets and 100 employees compared to FIA with \$85 billion in assets and 80 employees. Combining assets will put the new company in the top largest five firms globally. Every employee will be retained and equity partners will roll into the combined firm. He added that while FIA headquarters is in Windsor and they mainly operate in a Northeast footprint, DiMeo Schneider & Associates has a more national footprint with additional offices in Texas and California and clients in 47 states.

Mr. Kachmar explained that the way they currently engage with the town will not change. They will have the same contract; same team and it will be business as usual. They will partner in a manner that will cause no disruption to existing clients.

Deborah Spalding left the meeting at 9 a.m.

Mr. Kachmar then went over the quarterly investment review. As of December 31, 2019, the portfolio totaled \$69.6 million and is generally aligned with standing targets. It is in good working order from an allocation standpoint.

Motion: *Upon a motion by Steve Kops and seconded by Peter Goletz, the board voted to adjourn the meeting at 9:25 a.m.*

In favor: *Ray Bower, Steve Kops and Peter Goletz*

Abstain: *None*

Opposed: *None*

Respectfully submitted,

Traci K. Brinkman
Acting Recording Secretary

APPROVED