



# **TOWN OF MIDDLEBURY**

## *Retirement Plan Commission*

### **MINUTES**

#### **Retirement Plan Commission Meeting Thursday October 8, 2015 – 1:00 p.m. Town Hall Conference Room**

**Present:** Commissioner Edward Asselin, Chairman  
Commissioner JoAnn Cappelletti  
Commissioner Bill Stowell

**Also Present:** Marc A. Ciociola, CRPS  
James Dorney, CRPS  
Larry Hutvagner, CFO  
Barbara Whitaker, Recording Secretary  
Connie Brunswick  
Elizabeth Callahan

#### **Call to Order**

The meeting was called to order.

#### **Approval of Minutes from June 11, 2015 Meeting**

Mrs. Cappelletti MOTIONED to approve the minutes from the last meeting, SECONDED by Mr. Stowell. Unanimous approval.

#### **Correspondence**

None.

#### **Chairman's Comments**

The Chair stated he received a copy of the attached correspondence from Connie Brunswick. He said that he might entertain discussing the correspondence at the end of the meeting.

#### **Public Comments**

None.

#### **Old Business**

None.

#### **New Business**

At this time Marc A. Ciociola, CRPS, Vice President Investments Portfolio Manager, Retirement Consultant and James Dorney, CRPS, Vice President Investments Portfolio Manager introduced from UBS introduced themselves. They began a discussion with the Commission on the Town's investments through June 30, 2015.

#### **Market Overview**

Mr. Asselin requested that the representatives explain more about themselves.

Mr. Ciociola directed the Commission to Section 1 of the presentation. He explained that they draw from UBS management for their resources. They take wealth management research and work with the municipalities to decide what the risks and objectives are. They advise on asset allocation. There are asset allocation models in the package. They work for East Rock, their retirement group. Mr. Dorney added that they are still learning more about the Town's plan. They specialize in retirement and they are trying to recognize the Town's needs and plan.

Mr. Ciociola said they will make their recommendation and get the Town the information they need to make a good decision and added that he is most proud of his CRPS designation as it takes some time to achieve and there is an extensive exam that must be passed.

### **Market Commentary**

Mr. Ciociola explained that the Market Commentary section of the presentation gives a guideline where UBS and the CIO think that the markets are going to go. They look at the economy, equities, and foreign exchange and commodities markets in considering which plans are preferred investments.

Mr. Ciociola said that the Town had an asset allocation move in March. Commissioner Asselin suggested changing the benchmark to reflect to the asset allocation. Messrs. Ciociola and Dorney said that they will try to pick the best funds in the asset class.

Commissioner Stowell MOTIONED to change the benchmark to more accurately reflect the current holdings in the portfolio, SECONDED by Commissioner Cappelletti. Unanimous approval.

Mr. Ciociola will also include information on how institutional accounts are doing.

Mr. Ciociola proceeded into a discussion on where on where commodities are headed. The Chairman stated that the Commission would not be opposed to hearing recommendations.

Mr. Ciociola offered that as of June 30<sup>th</sup>, everything was in balance and within the bands for all assets. They will know more about the balance at the end of the month. Mr. Ciociola inquired as to whether or not the EastRock Management Group was operating on the right investment policy statement, as they follow the investment policy statement very closely. The one they currently have is not signed.

### **GIC Assets**

Mr. Ciociola explained to the Commission that there was an investment of \$47,000 in GIC. It will be liquid very soon and they have a recommendation. They are thinking that the Town will need a distribution soon and they need to know if there will be a distribution in Town. Mr. Dorney said they have to make a recommendation, if there is a pending distribution they would say leave it in the money market and use it for that. Mr. Hutvagner said that there will be normal distributions. Mr. Ciociola said they would like to put a new

GIC in the plan for the future. He would like to get the option on the line up, before they have to make a decision on the option. This is based on their July 19<sup>th</sup> letter.

Messrs. Ciociola and Dorney explained that in the event they see the market declining a new GIC would allow the Town to move the money to an account that is more stable. Metlife stable value is a fund that is not guaranteed by anyone other than MetLife. They are recommending that they add the fund to the pension plan for in the future they have a place to allocate money to a stable account that pays 2.28%. There is a form that goes along with this that they will get to Mr. Hutvagner that says the Board says the Board approves of the new GIC. The Town may never use this, but it is good to get the recommendation done.

Commissioner Stowell would like in the future to hear recommendations ahead of time, once the EastRock Management Group has had a chance to know the account. The Commission would like to know more about why these types of decisions need to be made.

Commissioner Stowell MOTIONED that the GIC be added to the line -up of the Town's future investments in the pension plan, SECONDED by Mrs. Cappelletti. Unanimous approval.

Mr. Dorney added that they can give them more information and choices and table the discussion until December meeting.

### **Pension Benefit Calculations**

At this time, Mrs. Brunswick stated that she and Ms. Callahan are hoping that the Commission would consider pension benefit calculations being completed when an employee terminates employment with the Town of Middlebury. Once a person leaves employment with the Town the numbers are not going to change. Mrs. Brunswick thought it might be beneficial if they receive the statement when they leave employment and a copy placed in their file. She feels this would make the process easier.

Mrs. Brunswick explained that a former employee who worked for the Town many years ago came in to request their pension. Mrs. Brunswick explained that many hours of research had to be done by going through the W-2's to piece the information together.

Commissioner Stowell asked if this would apply only to existing employees. Mr. Hutvagner, who said he is in full support of this suggestion, explained that now the defined benefit plan is closed. Mr. Hutvagner stated that a request was made to this over a year ago, but the Town declined because of the fee charged by the Segul Company when an employee terminates. Mr. Hutvagner suggests that the Segul Company will be coming to the meeting on December 10<sup>th</sup> to give the actuarial report; they should be placed on the agenda to discuss this as well.

Commissioner Stowell requested that Mr. Hutvagner place this item on the December Agenda.

Commissioner Asselin said when people leave the Town for reasons other than retirement and that everyone terminating from the Town should have this information compiled. This would be to have accurate information and save hours of research. Mr. Hutvagner suggested going back to all the employees who have left the Town and get a pension calculation for them to be on file.

Mrs. Brunswick offered that she has a list of terminated employees that she can work with. Ms. Callahan said that there are about ten people who are terminated and vested. This information would be included in their H.R. file. Commissioner Stowell recommends that one be placed in their personnel file and one into their pending retirement file. Mrs. Brunswick can also scan this information to go into their payroll record. Commissioner Asselin said that this is a point well taken. Commissioner Asselin said that he is concerned about the charge when the employee terminates and the recharge when the employee retires. This is a \$380 expense.

Commissioner Stowell said that the fee will increase. Ms. Callahan said that there is a potential for the calculations to change e.g., if someone divorces and marries someone younger.

#### **Adjournment**

Commissioner Cappelletti MOTIONED to adjourn, SECONDED by Commissioner Stowell. Unanimous approval.

These minutes are submitted subject to approval.

Respectfully submitted,

*Barbara J. Whitaker*

Barbara J. Whitaker  
Recording Clerk