



TOWN OF MIDDLEBURY

Retirement Plan Commission

MINUTES

Retirement Plan Commission Special Meeting Thursday, February 25, 2016 – 1:00 p.m. Town Hall Conference Room

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

Also Present: Larry Hutvagner, Chief Financial Officer
Liz Callahan, Administrative Assistant
Barbara Whitaker, Recording Clerk
Connie Brunswick
Officer Alton Cronin
Officer Bill Kalvaitis
Ken Long

Call to Order With Pledge of Allegiance

The meeting was called to order by the Chairman.

Routine Matters

Approval of Minutes of Prior Meetings

The approval of the minutes for the December 2015 and February 3, 2016 meetings were TABLED.

Correspondence

Correspondence that was mailed out to the Commission members relates to Old Business. Ms. Callahan said that she sent an email to the Commission giving the background for the topics.

Vote on Answer to Request of Al Cronin of December 2015 Meeting

Officer Cronin directed the RPC to the attached documents. Officer Cronin expressed concerned about the apparent decision that the Commission already came to before this meeting. Officer Cronin noted that the February 11, 2016 Agenda of the Retirement Plan Commission (RPC) (postponed until today) stated that his time cannot be used. Officer Cronin said he is assuming that either there was a vote or something took place because of the statement.

Commissioner Asselin said that no decision had been voted on prior to today's meeting and that the wording of the Agenda probably was not correct. Commissioner Asselin added the RPC goes by the union contract, and they cannot deviate from the contract. Officer Cronin again requested as he did at the December 2015 RPC meeting that this answer be placed in writing and given to him.

Commissioner Stowell added that there is no provision in the existing plan that would allow for the RPC to consider anyone's time from another position. The plan would have to be amended to do that. There is a provision for military service time, but other than that there is no vision. Based on the Town's plan, this cannot be done.

Commissioner Stowell MOTIONED that this request be DENIED, based on the research that the Plan does not allow this, he also consulted with the Town Attorney, SECONDED by Commissioner Cappelletti. Unanimous approval.

Public Comments

Mr. Long said that he had questions on follow-up on December meeting and he has some new questions:

1. He is wondering where we stand on the outstanding questions?
2. On question 6 there is some confusion on vesting whether vesting is at 5 years or 10years. He found something in the fourth amendment in the pension plan that it was changed to five years. This was found in Section 8.
3. Question 10, is this automatically if you pass away before you retire your wife would automatically get 50%?
4. Still waiting for an answer on question 14

Old Business

Yearly Benefit Statements - 2016

The Chairman said that they were looking for more clarification on the form itself, and there was some information to be added.

Ms. Callahan said that they wanted to add the four different options. Mr. Hutvagner said that after the meeting he asked the Segal Company about this they talked about changing the statements from a fiscal year statement in the fall to a calendar year. The correspondence was sent back in December that the Segal Company would do this for \$4,300.00 if we would provide the spouses birthday. Commissioner Stowell stated that instead of spouse, the beneficiary should be referred to as beneficiary.

The Chairman asked if this would be a one-time charge. Mr. Hutvagner said he feels that this would resolve the employee questions that were asked at the December meetings about statements that had inconsistencies. It will show calculations on a calendar basis which is how they would be done after the employee retires. The Town is on a fiscal year, the pension plan is on a calendar

year and Mr. Hutvagner said being on a calendar year makes it easier because of the way the payroll software runs and the statements would be done in the winter of 2016.

Ms. Callahan stated that if beneficiary is the same age as participant it is \$3800. If there is a difference in age it would be \$4,300.

Commissioner Stowell MOTIONED to authorize Segal to amend the bi-annual employee report to be done on a calendar year basis and to include the disbursement calculations based on the actual birthdate the of the participants beneficiary effective with calculation effective through December 2015; the report will be produced in 2016 (as soon as possible), SECONDED by Commissioner Cappelletti. Unanimous approval.

Ms. Callahan added that this has been an issue that has been on the table since she started with the Town of Middlebury; and she thanked the RPC for enabling her to provide the employees with the information they have been requesting. Commissioner Asselin said this was a new issue for the RPC.

Mr. Hutvagner said that there is money in the budget now, and he feels that this would resolve some of the questions that are not answered.

Vested Employee Benefit

Mr. Hutvagner explained that this request was for employees to get their final payout when they leave employment with the Town. Ms. Callahan wrote up a procedure on where the calculated information would be kept.

Ms. Callahan said she thought it was odd that the RPC would be voting on internal procedures. She said that we have to make sure the information is secure and where the information will be kept. Ms. Callahan stated that she would take the following steps:

1. A copy will be kept on the shared drive and a copy will be kept in the locked personnel file of the Town employee.
2. She has a term vested file, but this information goes in their personnel jacket.

Commissioner Asselin asked when employees begin getting their pension, when she gathers information (they are vested but maybe not at retirement age) and this is sent to Segal, does the employee choose their track at the time. If they want to come back and make changes what happens.

Ms. Callahan said if someone leaves service with the Town of Middlebury they start collecting in 2020. The employee is aware when they come back to start their pension benefits they can make their election on how they want to receive the pension. If they divorce and marry someone else, the numbers change and the Town would charge the employee a fee for this service.

Commissioner Stowell MOTIONED that calculations for vested employees be completed on a year calendar on bi-annually, SECONDED by Commissioner Cappelletti. Unanimous approval.

New Business

Consideration of Part-time Service to DB Plan

Mr. Hutvagner explained that there is currently not a provision in the plan to accept part-time service towards the Defined Benefit Plan. The Segal Company is looking for clarification and is doing their due diligence for their files.

Ms. Callahan explained that the Retirement Plan documents currently have a definition of part-time service. Ms. Callahan gave the members of the RPC a copy of the retirement plan document which they didn't have before. Ms. Callahan stated that there are individuals who have what we have requested to get a calculation in their service. Ms. Callahan stated again that the part-time plan service is included in the document, there is just nothing stating in writing, and we don't have anything in meeting minutes.

Commissioner Stowell said that for every class of employee that is covered by the Union contract it is stated on who is covered and who isn't. Commissioner Stowell said based on the employee contracts in place and the Town's appointed and the Town's appointed/elected contract policy manual.

Commissioner Stowell MOTIONED that in accordance with the employee union contracts and the Town of Middlebury policies and procedures manual effective July 1989 and revised July 2000 the Retirement Plan Commission will not allow part-time service to be allowed, SECONDED by Commissioner Cappelletti. Unanimous approval.

Interest Rate on Retroactive Payments to Retirees

Commissioner Stowell said that the interest rate is at 4% for people who live with unvested money. This is for people who could've been drawing their pension and didn't start when they could have. Commissioner Stowell said his recommendation is 1.5%.

Ms. Callahan will contact the Segal Company. They want to recalculate the payment.

Commissioner Stowell MOTIONED that the Town of Middlebury provide the Segal Company with an interest rate on retroactive payments eligible for retirement at the rate of 1.5%, SECONDED by Commissioner Cappelletti. Unanimous approval.

The interest payment will go to the retiree.

Approval of FY 2016-2017 Budget

Commissioner Cappelletti MOTIONED that the attached budget be submitted, SECONDED by Commissioner Stowell. Unanimous approval.

Mr. Long asked that the RPC look at Section 8 of the 4th amendment. He asked for clarification on Section 5.8 ii. That means that someone is vested after 5 years. If they leave they get their money back that they put in. There are a few employees that this would affect, but since the pension plan is closed there aren't huge ramifications.

Commissioner Stowell said that they are still awaiting information from Segal. Ms. Callahan will get the information to the employees once she receives it.

Adjournment

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

These minutes are submitted subject to approval.

Respectfully submitted,

Barbara J. Whitaker

Barbara J. Whitaker
Recording Clerk