

Ridgefield Pension Commission
Minutes of the Meeting of February 25, 2019 [FINAL]

The meeting convened in the small conference room of Town Hall at 7:00p.m.

MEMBERS PRESENT: Messrs. Chris Christiansen, Tom Hayes, Mike Rettger, Art Aaronson, Chris St. Victor de Pinho, Jim Stoveken (by telephone)

MEMBERS ABSENT: Mr. Chris Sierakowski

OTHERS PRESENT: None

1. Upon motion and second, the minutes of the Commission's January 28, 2019 meeting were approved.
2. Mr. Christiansen distributed for review invoices from Cohen and Wolf for work on the revisions to the Pension and OPEB Trust Agreements.

VOTING ACTION: Upon motion and second, the invoice from Cohen and Wolf was approved for payment as presented.

3. Mr. Christiansen provided an update on the transition of the function for processing and mailing retiree checks from TR Paul to Vanguard. Generally the switchover has gone well, although there were a few reports of people who receive physical checks getting them a few days later than usual in February, and one lost check that had to be replaced.
4. Mr. Christiansen and Mr. Rettger reported on work they have done with the Town Treasurer to change the process of getting the monies from employee contributions to the Vanguard investment account, as initially discussed at the prior meeting. Currently these checks are manually taken to Union Bank for deposit, and then the accumulated funds are wired (at a cost of \$25 per transfer) to Vanguard every few months. Two alternatives were explored – having the money transferred by ACH by the Treasurer each pay period, and sending the checks by mail. There were concerns about the ACH option as the process that would be involved may have less control than the process used for other Town ACH transfers. Sending the checks by mail would follow the current process for sending other Town disbursement checks and would eliminate the current manual intervention. Sending the checks would get the money into the Vanguard account on average about 6-8 weeks sooner than the current process. Mr. Christiansen has reviewed the proposed procedures with Vanguard, and they do not anticipate any issues.

As part of the proposal, it is being recommended that this same mailing process also be used in the future for the annual funding payments from the Town and BOE for the pension and OPEB trusts.

VOTING ACTION: Upon motion and second, the recommendation to change process to use regular mail to transfer employee contributions and town appropriation payments to the investment account at Vanguard was approved. The chairman was authorized to send a

letter of instruction to this effect to the Town Treasurer.

5. Mr. Christiansen reported that with the approval of the above item, he will move forward with setting up two checking account at Vanguard, as he discussed at the prior meeting. One account will be for the pension trust and the other for the OPEB trust. He previously circulated responses to the questions members had raised on this proposal at the prior meeting. He also plans to close out the current checking account at Union Bank when this transition is complete.

VOTING ACTION: Upon motion and second, the recommendation was approved to establish two Vanguard checking account, one for the pension trust and the other for the OPEB trust, and to close the Union Bank account.

6. Mr. Christiansen reported on two items from the prior meeting. He has received no response on his request to the plan actuary and staff of the Town's HR and BOE HR departments to review the topic of vested accrued benefit balances still held by the Trust for ex-employees. He also has not heard back from Town HR on the research to confirm the death benefit provision found in the current plan document for the Firefighters Plan. He will follow up on both items.
7. Mr. Rettger reported on the Commission's fiduciary liability insurance policy, which renews in March. He has met with the Town insurance broker to outline the financial status of the plan and to review the work of the Commission on funding assumptions and governance documents. Mr. Rettger asked the broker to specifically ask the underwriter whether these actions merit any credits in the quotation. Based on the Commission's discussion last year, the broker will only be quoting a coverage level of \$5 million. The broker had not provided final premium number to Mr. Rettger as of the meeting, but her indications were that the renewal price should be in line with or only slightly more than the past year's policy.

VOTING ACTION: Upon motion and second, Mr. Rettger was authorized to accept the quote and finalize the renewal of the fiduciary liability policy, provided the renewal cost does not exceed last year's premium by more than 5%.

Mr. Rettger also discussed that with the change in wording adopted in the Town Ordinances last year, the broker will be researching alternatives to the current crime policy coverage that applies to the Commission. The current coverage renews in July. Mr. Rettger and Mr. de Pinho will meet to discuss possible coverage options and will provide the members with a summary of applicable insurance coverages for the Commission.

8. Mr. Christiansen reported on his discussion with the OPEB plan actuary on the Commission's questions about the sources of differences that have been observed between the funding estimate and the actual "pay-as-you-go" portion of the annual OPEB benefit costs. The actuary has committed to analyzing this question and will include his findings in the OPEB plans' valuation report later this year.
9. Mr. Hayes and Mr. Aaronson reported that the subcommittee reviewing the "active-vs-passive" questions has received good support and useful information from Vanguard for their project. They do have some questions about the approach being taken for some of the active Vanguard

funds, and will be discussing these and other questions in a scheduled call next month, which they expect to report on at the next Commission meeting.

10. Mr. Christiansen reported that he has shared the proposed amended Pension Trust and OPEB Trust Agreement documents with the Town HR director and the finance manager for the Board of Education, to solicit their feedback on the proposed changes regarding the role of “Plan Administrator”.

The Town HR director was in agreement subject to one concern about her authority to delegate certain functions to a third party, such as benefit calculations that are done by the plan actuary. Mr. Christiansen has responded to her that we will make appropriate changes to the drafts to specifically authorize such delegation.

The BOE finance manager provided a nonconstructive response that indicated a lack of willingness to cooperate with the Commission’s efforts in finalizing these changes. Mr. Christiansen will follow up to request the BOE’s participation and to request specifics as to the basis for their position.

Upon motion and second, the meeting was adjourned at 7:45 p.m.

Submitted upon the approval of the Commission members
Michael Rettger, Secretary
March 19, 2019