

Special Meeting of Town Pension Board

June 14, 2016

Room 206 3:30 PM

CALL TO ORDER

The meeting was called to order by Kelly Galvin at 3:30 pm. Attendance was as follows:

- For the Town Board: Bruce Sargent (departed at 4:25), Kelly Galvin (chair), Jack Whitehead, Tony Yezzi. Absent: Jon Zagrodzky.
- Others: Kate Buch, Town Administrator (left at 4:30); Lee Palmer, Director of Human Resources; Jennifer Charneski, Director of Finance; Eileen McGrath, Assistant Director of Finance; Sarah Seelye, Moderator RTM; Bruce Barth, Robinson & Cole LLP.

DISCUSSION AND APPROVAL OF RESTATED TOWN PENSION PLAN DOCUMENT

The Town Pension Board reviewed the most recent draft of the restatement of the Employee Retirement Plan effective July 1, 2016. After discussing the plan provisions and the historical administrative practice, it was decided the following changes should be made before the plan document is adopted:

- Add back Article 5.06 to the Table of Contents.
- Delete the reference to worker's compensation benefits in Article 4.03.
- Revise the definition for Taxable Wage Base (TWB) in Article 1.26 as follows:
 - Members covered by a collective bargaining agreement the TWB used in the benefit calculation is based on the year of separation.
 - Members not covered by a collective bargaining agreement the TWB used in the benefit calculation is based on the earlier of year of termination or three years prior to Normal Retirement Date.

During the process of the plan restatement it was discovered the administration did not correctly reflect the plan provisions of the document. The Town is going to review historical calculations to correct any errors that may have occurred due to the following provisions:

- For a member who was in payment status at the time of death, confirm that any refund of employee contributions was based on interest to the date of death.
- For periods of service from 4/1/2002 through 6/30/2003 that the .3% and .2% factors for pay above 50% of the TWB were provided in all calculations after 4/1/2002.

Kelly Galvin moved to approve the restatement of the Pension Plan Document pending the three changes noted above, passed unanimously.

REVIEW OF UPDATED TOWN PENSION PLAN CALCULATION FORM

Due to a change in the administration of the plan formula, a revised pension calculation form was presented to the Board. Tony Yezzi noted that the factors shown for the optional forms only applied to participants age 65+ and the definition of Taxable Wage Base for members not covered by a collective bargaining agreement might need to be revised. The form will be reviewed again at the next pension meeting.

DISCUSSION OF WELLS FARGO PERFORMING ONGOING PENSION CALCULATIONS

The Board reviewed the pension calculation proposal letter from Bryan, Pendleton, Swats & McAllister (“BPS&M”). It was also confirmed that BPS&M would do the exclusion ratio for tax purposes as part of the pension calculation. After the discussion of the proposal letter, the Board suggested the following actions:

- Town should check on the references provided in the BPS&M letter.
- Add a request for a specific turnaround time for the calculations.
- Target a transition of calculations from the Town to BPS&M for the October Board meeting.

Pending satisfaction of these issues, Kelly Galvin moved to approve the transition of pension calculations for the Town Pension Plan to BPS&M, passed unanimously.

ADJOURNMENT

Jack Whitehead moved to adjourn the meeting for the Town Pension Board, motion passed unanimously and the meeting ended at 4:55.

Respectfully submitted: Tony Yezzi, acting Clerk

Next meeting: July 19, 2016