

DRAFT

**MONROE BOARD OF FINANCE
Monroe, Connecticut**

**Pension Committee Meeting
Meeting Minutes
April 28, 2016**

Present: Chairman Michael Manjos
Vice-Chairman John Ostaszewski
Superintendent Jim Agostine
Finance Director Ron Bunovsky
Catherine Lombardi
Enid Lipeles
Treasurer Debbie Heim

Absent: First Selectman Steve Vavrek
Phyllis Kansky
Shannon Reilly-Monaco
Board of Education Finance Director Gabriella DiBlasi

CALL TO ORDER-*Vice-Chairman Ostaszewski* called the meeting at 7:00 p.m.

REVIEW OF MINUTES

The Minutes and Voting Record of January 21, 2016 were reviewed and voted on later in the meeting.

COMMUNICATIONS

Cover Letter of the Determination Letter Application filed with the IRS for the 401(a) Plan on behalf of the Town by Attorney John Galiette of Reid and Riege, PC dated January 29, 2016-*Vice Chairman Ostaszewski* asked *Superintendent Agostine* if this letter addressed his concerns expressed at the January meeting; *Superintendent Agostine* responded that it did.

Letter from Attorney John Galiette of Reid and Riege, PC to the Director of Finance dated March 31, 2016 regarding the Town of Monroe Retirement Income Plan and 401(a) Plan eligibility provisions-*Vice Chairman Ostaszewski* said no action needs to be taken on this.

EXECUTIVE SESSION-There was no Executive Session at tonight's meeting.

NEW BUSINESS

Discussion of Quarterly Plan Performance for the 1st Quarter of 2016 with FIA-

Devon Francis invited the committee members to attend FIA's Annual Client Conference on June 17. *Ms. Francis* said that this quarter, in addition to an Investment review, there was an Administrative fee review. She continued that Procedural Prudence explains that as fiduciaries, the committee has the responsibility to understand fees and services associated with managing the plan. The Average Weighted Investment Management Fee is 59 basis points, the Wells Fargo fees are approximately \$10,000 and the FIA Consulting Fee is \$35,000 per year.

Ms. Francis said that the first two months of the quarter were "incredibly volatile" though there was a significant uptick in the market during March. *Ms. Francis* provided an overview of the Index results for U.S. Equity, International Equity, Fixed Income and Non-Traditional.

The Asset Allocation of the Town and The Asset of the Board of Education are aligned with each other; they have the same managers and target allocations. *Ms. Francis* continued that there is only one manager on watch status; Harbor International Fund was put on watch at the end of last year and it actually outperformed in the first quarter. She added that FIA is comfortable with the portfolio.

Motion to Amend the Agenda

Motion: (E. Lipeles)

Motion to amend the agenda to include a discussion of the 401(a) Investment Manager

Second: (J. Agostine)

Discussion: None

Motion passed 5 (Manjos, Ostaszewski, Agostine, Lipeles, and Heim)-0

Ms. Francis said that *Mr. Bunovsky* asked FIA to provide a proposal to manage the 401(a) plan; she said that they propose a thorough review of both of the 457 plans and a diagnostic of the marketplace and the possibilities for the 401(a) plan. She continued that with the 457 plan already established, FIA would look at the fund menu, fees and benchmarks and for the 401(a), FIA would help build the fund menu and select the provider which will most likely be ICMA. The fee is \$7500.00 per plan and FIA's recommendation would be to review the 401 (a) on an annual or bi-annual basis.

Motion to Approve FIA as the 401(a) Investment Manager

Motion: (J. Agostine)

Motion to approve FIA

Second: (E. Lipeles)

Discussion: None

Motion passed 5 (Manjos, Ostaszewski, Agostine, Lipeles, and Heim)-0

Motion to Approve the Voting Record and Minutes

Motion: (D. Heim)

Motion to approve the Voting Record and Minutes as presented

Second: (J. Agostine)

Discussion: None

Motion passed 5 (Manjos, Ostaszewski, Agostine, Lipeles, and Heim)-0

OLD BUSINESS

Discussion of Ordinance Establishing the 401(a) Plan and Designation of the Pension Committee as the Plan Administrator

Resolution to Approve Amendment No. 2 to the Retirement Income Plan and Amendment No. 1 to the 401(a) Money Purchase Plan

Superintendent Agostine said that he has read both documents thoroughly and is comfortable with where they are now.

Motion to Adopt Amendment No. 2 to the Town of Monroe Retirement Income Plan as presented

Motion: (J. Agostine)

Motion to adopt Amendment No. 2

Second: (M. Manjos)

Discussion: None

Motion passed 5 (Manjos, Ostaszewski, Agostine, Lipeles, and Heim)-0

Motion to Adopt Amendment No. 1 to the Town of Monroe Section 401(a) Money Purchase Pension Plan as presented

Motion: (J. Agostine)

Motion to adopt Amendment No. 1

Second: (E. Lipeles)

Discussion: None

Motion passed 5 (Manjos, Ostaszewski, Agostine, Lipeles, and Heim)-0

Motion to allow the First Selectman sign the documents of Amendment No. 2 of the Retirement Income Plan and have him sign the documents of Amendment No. 1 of the Town of Monroe Section 401 (a) Money Purchase Pension Plan

Motion: (D. Heim)

Motion to allow the First Selectman to sign documents

Second: (E. Lipeles)

Discussion: None

Motion passed 5 (Manjos, Ostaszewski, Agostine, Lipeles, and Heim)-0

ADJOURNMENT

Motion to Adjourn

Motion: (E. Lipeles)

Motion to adjourn at 7:35 p.m.

Second: (J. Agostine)

Motion passed 5 (Manjos, Ostaszewski, Agostine, Lipeles, and Heim)-0

Respectfully submitted,

Diane Behringer
Pension Committee Clerk