



TOWN OF LEDYARD

741 Colonel Ledyard Highway
Ledyard, Connecticut 06339

Retirement Board Meeting Minutes

Chairman
John Rodolico

Regular Meeting

Tuesday, November 21, 2023

10:00 AM

Council Chambers - Hybrid Format

I. CALL TO ORDER

Ms. Wadecki was appointed as Chairperson in Mr. Rodolico's absence.
The meeting was called to order by Sharon Wadecki at 10:06 a.m.

II. ROLL CALL

Present Board Member William Thorne
Board Member Roger Coddling
Board Member Sharon Wadecki
Board Member Daniel Panosky
Excused Chairman John Rodolico

Staff present:
Mayor Fred Allyn III
Ian Stammel, Assistant Finance Director
Marisa Iannella Rodriguez, Human Resource Director
Matt Bonin, Finance Director
Christina Hostetler, Town Hall Assistant

III. PRESENTATIONS

1. Frederica Daniels, USI Actuaries will be presenting the July 1, 2023, Actuarial Valuation and the June 30, 2023, GASB Disclosure Report.

Frederica Daniels, USI Actuaries started the presentation by saying that the decision to re-amortize past liabilities over a ten-year period has helped control the projected contribution levels and keep things stable while amortizing the cost over the expected time frame of the plan, at least while the active group is still working and accruing benefits. She added that it is still reasonable to continue to use the 3% assumption built in for the budget. If there is major census changes year to year or major investment swings (as was seen coming out of 2022/23) then a re-assessment will be done to see if there is a need to adjust the contribution level from 3% (this would be considered an off-year evaluation). Ms. Daniels stated that USI produces annual benefit statements for the active employees so technically census updates are created every year just not the full evaluation report.

Looking at the Principal Results of the Valuation Ms. Daniels said one of the most important things to look at is the "Actuarial Value of Assets as a % Actuarial Accrued Liability" which

went up to 88.71%. The other is payroll, specifically the contribution percentage. On average the Town is contributing 21% to the plan on behalf of employees.

Two years ago, there were 235 total participants now there is 202. As for active participants the numbers went down from 63 to 48. This decrease in active employees averages seven to eight per year. If this trend continues, in five to seven years there may not be any more active employees.

Ms. Daniels mentioned that there is good news is that the plan is trending down on the unfunded liability and trending upward on the funded ratio (from 87% to approximately 89% in two years).

The contributions made by the Town each year on behalf of the plan is made up of two pieces; funding over time and funding the cost of any new benefits as the employees continue to work (Employer Normal Cost). The Normal cost was \$317,453 in 2021 and now is down to \$206,279, almost a third less. As the population decreases so will the Employer normal cost. Matt Bonin, Finance Director asked what the difference is between compensation increases and payroll growth rate. Ms. Daniels explained that the payroll growth rate is the total group vs. compensation is the general increase per person.

The GASB report is the Government standard formality that needs to be completed rather than a set of calculations used for recommendations. The governance for the GASB reporting requires different types of disclosure for expenses. Ms. Daniels said the GASB was included in the presentation to formally announce to the Board that the report and the disclosure obligations have been completed.

IV. REVIEW AND APPROVAL OF MINUTES

1. Motion to APPROVE Regular Meeting Minutes from September 19, 2023 and October 17, 2023, as written.

RESULT: APPROVED AND SO DECLARED

MOVER: Sharon Wadecki

SECONDER: William Thorne

AYE 4 Thorne Coddling Wadecki Panosky

EXCUSED 1 Rodolico

V. DIRECTOR OF HUMAN RESOURCES UPDATE

1. Director of Human Resources update.

Marisa Iannella-Rodriguez, Human Resource Director reported that a few weeks ago that she, Bill Saums, Town Councilor and Chief Rich were invited by the Office of the State Comptroller to have a conversation regarding the Town pension plan and defined contribution plan and what the Town would be looking for in the future. The State is looking to build a MERS 2.0, also known as second tier. There has been some confusion surrounding the plan which doesn't actually exist yet. Ms. Iannella-Rodriguez said it is exciting to receive an invitation to be part of the conversation with the State.

Bill Thorne asked if there were any major changes from the Retirement perspective with the newly negotiated Nursing and Dispatch contracts? Ms. Iannella-Rodriguez answered no. She said there will be a small increases to both the defined contribution and match and otherwise a commitment to exploring and researching options for the future.

RESULT: DISCUSSED

VI. FINANCE DIRECTOR'S REPORT

1. Finance Director's Report.

Nothing to report.

VII. OLD BUSINESS

1. Motion to APPROVE amendment to the IPS to reflect changes to allocation targets.

RESULT: APPROVED AND SO DECLARED

MOVER: Sharon Wadecki

SECONDER: William Thorne

AYE 4 Thorne Coddington Wadecki Panosky

EXCUSED 1 Rodolico

2. Discussion on a review of applicable labor contracts and retirement documents for Town of Ledyard employee groups with applicability to retirement eligibility and benefits continued.

Mr. Thorne reported that the table is still a work in progress. Ms. Iannella-Rodriguez said she has a good amount of information that she can send to Mr. Thorne for use in the table.

RESULT: DISCUSSED

3. Any Other Old Business to come before the Board.

None.

VIII. NEW BUSINESS

1. Motion to APPROVE a monthly retirement benefit for Michele Maynard in the amount of \$373.50 in the form of a modified cash refund annuity effective November 1, 2023.

RESULT: APPROVED AND SO DECLARED

MOVER: Sharon Wadecki

SECONDER: William Thorne

AYE 4 Thorne Coddington Wadecki Panosky

EXCUSED 1 Rodolico

2. Motion to APPROVE retirement benefit for Steven Masalin in the amount of \$4,718.05 in the form of a modified cash refund annuity effective February 1, 2024.

RESULT: APPROVED AND SO DECLARED

MOVER: Sharon Wadecki

SECONDER: William Thorne

AYE 4 Thorne Coddling Wadecki Panosky

EXCUSED 1 Rodolico

- 3. Motion to APPROVE payment to USI, invoice #90088346, dated October 31, 2023, in the total amount of \$1,200.00 (\$400.00 per benefit calculation for Michelle Maynard and Steve Masalin plus \$400.00 for annual pension liability breakout for WPCA members).

Mr. Thorne asked why there are charges for annual pension liability breakout for WPCA members. Mr. Bonin explained that some of the pension liability has to be allocated for water and sewer employees and this charge is for the calculation. It was questioned why this is paid by the Retirement Board instead of included in the Audit fees. Mr. Bonin said the Retirement Board paid for it last year (2022) but he is not sure of how it work in previous years. Ian Stammel, Assistant Finance Director confirmed that this charge has never came out of the Water/Sewer budget.

RESULT: APPROVED AND SO DECLARED

MOVER: Sharon Wadecki

SECONDER: William Thorne

AYE 4 Thorne Coddling Wadecki Panosky

EXCUSED 1 Rodolico

- 4. Any other New Business to come before the Board.

None.

IX. ADJOURNMENT

Motion to ADJOURN the Regular Meeting at 10:47 p.m.

RESULT: APPROVED AND SO DECLARED

MOVER: Sharon Wadecki

SECONDER: William Thorne

AYE 4 Thorne Coddling Wadecki Panosky

EXCUSED 1 Rodolico

DISCLAIMER: Although we try to be timely and accurate these are not official records of the Town.