

PENSION AND RETIREMENT BOARD
TOWN OF EAST WINDSOR
11 RYE ST,
BROAD BROOK, CONNECTICUT, 06016

MINUTES OF REGULAR MEETING

Wednesday, July 17, at 5:30 p.m.

****These minutes are not official until approved at a subsequent meeting****

Regular Members Present:

Jason Bowsza (5:47 p.m.), Edward Bowsza, David King, Karen Christensen

Regular Members Absent:

Bill Syme, Elizabeth Burns, Frances Neill

Advisory:

Amy O'Toole

Advisories Absent:

Christine DeBarge, Robert Maynard

1. CALL TO ORDER:

David King called the Regular Meeting to order at 5:45 p.m. at the Town Hall Meeting Room, 11 Rye Street, Broad Brook, CT.

MOTION made by (E. Bowsza) and **SECONDED** by (K. Christensen) to recess until there is a quorum.

In Favor: All

Opposed: None

Motion: **PASSED**

MOTION made by (E. Bowsza) and **SECONDED** by (K. Christensen) to Call the Meeting Back to Order, with a quorum, at 5:47 p.m.

In Favor: All

Opposed: None

Motion: **PASSED**

2. APPROVAL OF MINUTES:

MOTION made by (J. Bowsza) and **SECONDED** by (E. Bowsza) to accept the April 17, 2019 Regular Meeting Minutes.

In Favor: All

Opposed: None

Motion: **PASSED**

3. PUBLIC COMMENT:

None

4. COMMUNICATION:

None

5. NEW BUSINESS:

MOTION made by (J. Bowsza) and **SECONDED** by (E. Bowsza) to take New Business 5C out of order.

In Favor: All

Opposed: None

Motion: **PASSED**

C. Pension Fund Update-Webster Bank:

Robert Lebreux and Robert Maglio came and gave an update on the pension plan. They stated that the last quarter was somewhat volatile. They stated that April was up about 4%, May was down about 6% and June was back up about 7%. They stated that year-to-date the S&P is up about 18.5%. They said it has been a pretty good start to 2019 compared to the steep decline in December. They stated the Large Cap Growth is up 21%, most of which is driven by the tech sector, which was up 27% year-to-date through June. David asked if they could show a historical allocation snapshot for the plan quarter by quarter. He said it would be nice to have something to show each quarter like a bar graph or something. He was told they would try and put something in the next presentation. He stated that the asset allocation started with a little over \$24 million and ended with \$27,989,000.

A. ICMA Update:

ICMA came and gave a brief update. They stated that there was not much to report on considering they only have one month under their belts here with the Town. Laura Hancock explained that she has met with between 50-60 people so far. She stated that for the most part the meetings have been positive. She stated that a lot more of the fixed fund came over than they thought would. The first payment did come and some should come every quarter. She stated that most of the focus that people wanted was the advice engine. She also discussed another fee based service and the positive impact they provide for managed accounts. To see the brochure, they are hereto attached as, Attachment A. She said that only about 5 of the people she spoke to were

interested in this program. The last thing she spoke about was that she was going to go to the Police Department and go to their roll call so she can make appointments with them. When asked about a fiduciary advisor ICMA said that they usually recommend people have an advisor.

MOTION made by (E. Bowsza) and **SECONDED** by (J. Bowsza) to make this part of the plan available to the participants, at their own cost, if they are interested.

In Favor: All

Opposed: None

Motion: **PASSED**

D. Defined Contribution 401a & 457 Plan Investment Advisor RFP (Fiduciary):

Touched on by ICMA.

MOTION made by (J. Bowsza) and **SECONDED** by (E. Bowsza) to take New Business 5B & 5E out of order.

In Favor: All

Opposed: None

Motion: **PASSED**

6. OLD BUSINESS:

None

7. EXECUTIVE SESSION:

MOTION made by (J. Bowsza) and **SECONDED** by (E. Bowsza) to go into Executive Session per CGS 1-200(6)(B)-strategy and negotiations with respect to retirement plans. To include Attorney Michael Harrington, Attorney George Kasper, First Selectman Maynard and Treasurer Amy O'Toole at 6:35 p.m.

In Favor: All

Opposed: None

Motion: **PASSED**

8. ADJOURNMENT:

MOTION made by (J. Bowsza) and **SECONDED** by (E. Bowsza) to adjourn at 7:00 p.m.

In Favor: All

Opposed: None

Motion: **PASSED**

Respectfully Submitted,

Rebecca D'Amicol, Recording Secretary

Attachment A
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ICMA-RC's Guided Pathways® Managed Accounts Service: A Positive Impact on Participants



Increased Need for Participant Advisory Services

Continued fiscal pressures have caused many local governments to reduce retirement benefits for employees, particularly in the form of less generous pension and retiree health benefits. This change causes many public sector employees to be increasingly reliant on their savings to defined contribution plans to make up for lost benefits.

With this increased reliance on defined contribution plans, public sector employees are also being asked to assume greater responsibility over their retirement savings and investing.



ICMA-RC Guided Pathways® Advisory Services – Featuring Managed Accounts

ICMA-RC offers our Guided Pathways Advisory Services to help public sector employees navigate the challenges of building retirement security. These services can help participants decide:



How much to save for retirement



How to invest those savings



When they can retire



How to take withdrawals in retirement

For public sector employees looking for ongoing, unbiased, professional account management, ICMA-RC is pleased to offer Managed Accounts, utilizing Morningstar Investment Management¹ as the independent financial expert.

The Case for Managed Accounts

A recent study² by Alight Solutions, a benefits administration and human resource and financial solutions provider, demonstrates the positive impact that ongoing participation in Managed Accounts can have on retirement plan participants. The study incorporated nearly 50 companies and more than two million eligible participants. Highlights of this study include:

Managed Accounts Users Experience Higher Annualized Returns

Most Managed Accounts services are not designed to allocate participants to the “best performing portfolio;” rather they are trying to determine the most appropriate portfolio for each participant based on a wide variety of personal and financial information, which helps the participant achieve his overall retirement income need with the appropriate amount of risk.

However, the Alight study showed that participants who consistently used Managed Accounts over the 10-year period of 2007-2016 experienced higher annualized investment returns than those who did not use Managed Accounts. Consistent Managed Account users had an average annualized return net of fees that was 0.27 percent higher than that of consistent non-users. Managed Accounts has shown to be even more

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Attachment A
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beneficial for “near retirees,” as consistent Managed Account users in this career stage had an average annualized return net of fees that was 0.69 percent higher than consistent non-users.

Managed Accounts Users More Consistently Contribute to Their Retirement Plan

Continuously contributing to a retirement plan is a systematic way for participants to increase both their savings and retirement readiness.

Over three and five year periods, noted in the Alight study, consistent Managed Accounts users continuously contributed to their retirement plan at a much higher rate than non-Managed Accounts users.

OVER THE FIVE-YEAR TIME PERIOD,

75% of consistent Managed Accounts users continuously made contributions compared to only

43%
of non-users.



Managed Accounts Users Have More Diversified Investment Allocations³

The Alight study also showed that participants who consistently used Managed Accounts were deemed to have more properly diversified investment allocations than those who did not use Managed Accounts. By spreading investment across a wide range of asset class categories, Managed Accounts participants are not reliant upon a single asset class for all of their returns.

Past performance does not guarantee future results. Investing involves risk, including risk of loss.

¹ Investment advice and analysis tools are offered to participants through ICMA-RC, a federally-registered investment adviser. Investment advice is the result of methodologies developed, maintained, and overseen by the Independent Financial Expert, Morningstar Investment Management LLC. Morningstar Investment Management LLC is a registered investment advisor and subsidiary of Morningstar, Inc. Morningstar, Inc. and Morningstar Investment Management LLC are not affiliated with ICMA-RC. The Morningstar name and logo are registered marks of Morningstar, Inc.

² Professional Investment Assistance Report: The Impact of Managed Accounts and Target Date Funds in Defined Contribution Plans 2007-2016; Alight Solutions. Participants in ICMA-RC's Guided Pathways Advisory Services were not included in this study. Actual results experienced by ICMA-RC participants could vary from those presented in this study.

³ Diversification and asset allocation do not ensure a profit or guarantee against loss.