MINUTES

TOWN OF VERNON **PENSION BOARD**

Town of Vernon, Connecticut Pension Board Regular Meeting DRAFT Minutes
August 25, 2010

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The regular meeting was called to order by Gary Ruchin at 7:07 p.m.

In attendance
Gary P. Ruchin, Chairman
John J. Lillis, Board Member
Patricia Q. Neal, Board Member

Town Liaison – Peter Graczykowski, Assistant Town Administrator
Board of Education Liaison – Stanley Karasinski, Director of Business and Finance
Marion D. Griffin, Prudential Retirement Services
Suzanne Mead, Prudential Retirement Services

Public Comment
There were no members of the public in attendance.

Approval of Minutes
A motion to approve draft minutes from the special meeting of June 23, 2010 was made by Mr. Lillis, seconded by Ms. Neal, and passed unanimously.

New Business

- Mr. Karasinski asked the Board to discuss potential increase in the number of Pension Plan Division Schedules in order to reflect correctly the benefit levels for certain Board of Education Participants. The Board discussed the current model of a master service agreement for the Town and Police plans with separate Division Schedules as optimum. Ms. Neal requested the most recent Restatement of the Pension Plans. Mr. Graczykowski will follow up with the Board of Education regarding the number and structure of Division Schedules, and will provide the current documents to the Board.
- Ms. Griffin presented the Asset Allocation Review for the Town and Police Pension Plans with performance results as of June 20, 2010. Ms. Griffin explained that Prudential Retirement was awaiting the actuarial evaluation to complete recommendations on further rebalancing of portfolios in the Town and Police Pension Plan. Mr. Graczykowski will follow up with the Town's Finance Officer on any outstanding information that Prudential may need for evaluation.
- The Board received a status update on High Yield Bond / Caywood School Fund on July 2, 2010. Ms. Griffin explained that there were no performance issues at present, but the fund was on the watch list for three to four quarters.

- Mr. Graczykowski addressed the implementation of the Defined Contribution Plans for new hires in the Town's four collective bargaining units and non-union group, as well as related Town Pension Plan Amendments that will preclude the participation of new employees. The Board discussed the soft freeze of the Town Pension Plan to accommodate the transition from the Defined Benefit Plan to Defined Contribution Plan for such new employees. Prudential Retirement will be discussing this scenario with Plan actuary and report to the Board.

Old Business

- The Board followed up on the up-to-date investment status information vis-à-vis the quarterly schedule of meetings. Since the performance results report include the information the Board had requested, and such data is available online with Prudential Retirement, the Board members will be provided with online access to these reports. Mr. Graczykowski will follow up with Prudential Retirement to assure the online access to daily values and monthly asset investment reports.
- The Board followed up on its request for the more detailed fee analysis from Prudential Retirement. Ms. Mead presented a detailed fee review to the Board. The Board discussed the management fees, elected service charges and contract expense charges for the Town and Police Pension Plans. The Board requested a more detailed explanation of the contract expense charges, which will be provided by Prudential Retirement in advance of the next regular meeting of the Board.
- The Board reviewed and discussed the current Service Agreements with Prudential Retirement. Ms. Mead explained that the current election of services includes the actual valuation and recordkeeping, plan document preparation, benefit calculation services, payment and claim services for benefit payments, as well as professional consulting and administrative services. Prudential Retirement will report in advance of the next regular meeting of the Board on the cost of potential provision of full package of employee communication and benefit processing services, as well as the Form 5500 preparation.

Next Meeting

The next scheduled regular meeting, as filed with the Town Clerk, will be on November 17, 2010 at 7:00 p.m.; unless announced and posted differently as a special meeting.

Motion to adjourn was made by Mr. Lillis at 9:12 p.m., seconded by Ms. Neal, and passed unanimously.

Prepared by _____

Peter Graczykowski, Assistant Town Administrator