

I. Roll Call:

- A. Members Present
 - 1. Paul Schroder
 - 2. Frank Davis
 - 3. Jerald Navick
 - 4. Sarah Kannas
 - 5. Joanne Philbrick
- B. Members Absent
 - 1. John A John, Alternate
 - 2. James Tetreault, Alternate
 - 3. Richard Benoit, Alternate
- C. Others Present
 - 1. Thomas Dawkins, Human Resources Director
 - 2. Donna DesSureault, Secretary
 - 3. Brian Curtin, City Treasurer
 - 4. William Block, Purchasing Agent
 - 5. Joseph Ruffo, Comptroller
 - 6. Marc Shegoski, Sr. Vice-President - Investments, UBS
 - 7. Ashley Martella, Account Vice-President - Advisory & Brokerage Services, UBS
 - 8. Tim Ryor, Actuary - Hooker & Holcombe, Inc.

II. Minutes

- A. Minutes of Personnel & Pension Board Regular Meeting held on 1/20/2009.
 - 1. Motion to accept the minutes by Jerald Navick, seconded by Joanne Philbrick; all in favor.

III. New Business

- A. Presentation of 1/1/2008 Pension valuation report by Tim Ryor of Hooker & Holcombe, Inc. The 2008 valuation is used to determine the 2009-2010 Annual Required Contribution (ARC), using the GASB 25/27 standards. Mr. Ryor recommended that the ARC for 2009-2010 be 9.06%, down from the 12.10% used for the 2008-09 year. He explained that the return assumption used for the recommendation was 8%, which was different from the previous year's 8.25% used. Paul Schroder questioned Mr. Ryor as to who approved the change in the return percentage to 8%. Mr. Ryor stated that this was done through emails sent to Joseph Ruffo and Deputy Comptroller Josh Pothier. Paul Schroder stated that six months ago the Board agreed to use the 8.25% figure, and that the Board was unhappy with the lack of knowledge before the change. Jerald Navick stated that both percentages should be used to create 2 different valuations, in order to compare the ARC from each. Paul Schroder then stated that this should be put on the agenda for the March 17th, 2009 meeting, and that Tim Ryor should return with a revised comparative chart. Mr. Ryor agreed to do so.
- B. Under suspension of the rules, Paul Schroder made a motion to introduce a discussion of the OPEB contract, (not the RFP) with Joseph Ruffo, Comptroller. Motion seconded by Frank Davis; all in favor. Paul Schroder stated that a section of the contract mentions that the P&P Board could be replaced by a committee or trustee. Joseph Ruffo explained that the Board voluntarily agreed to help with the Plan, as this was a new Plan and there was no committee in place yet, and that although unlikely, the City Manager could decide in the future to create a committee to do so. Jerald Navick stated that this would not be a problem; that if the P&P Board was asked to go, then the Board would do so. Motion by Paul Schroder to continue with the OPEB contract; seconded by Jerald Navick; all in favor. The Board thanked Joseph Ruffo for his assistance. Mr. Ruffo then left the meeting at this time (6:35 PM).

- Motion by Paul Schroder to go back to the regular agenda, and continue with Item C (Formerly Item B) - Investment review with Marc Shegoski and Ashley Martella of UBS. Motion seconded by Jerald Navick; all in favor.
- C. (Formerly Item B) Investment review with Marc Shegoski and Ashley Martella of UBS. Mr. Shegoski and Mr. Martella discussed the current economic situation, which has not gotten any better since the 3rd quarter of 2008. Mr. Shegoski mentioned to the Board members that if they were to forward an email address to him, that they could be updated on an almost daily basis with new information by either Mr. Martella or himself. Mr. Martella reviewed the various managers' portfolio performance, and stated that the total market value of the Plan decreased from \$131,229,003.00 as of 9/30/2008 to \$113,143,969.00 as of 12/31/2008. They mentioned that due to the downturn, the goal is to stay well allocated, and stick to the current strategy.
- D. (Formerly Item C) Discussion of the Wilmington Trust/AST 1099R errors. Mr. Shegoski stated that he thought there was a definite lack of quality assurance on Wilmington's part, as the forms were mailed with several different errors on them. He noted that none of the other Wilmington clients had any problems. He passed out an apology letter from Greg Tschider, President of Wilmington Trust to the retirees. He stated that he and his staff have personally handled many phone calls and requests to have corrected forms send overnight in order to accommodate the retirees, as there had been a huge delay in mailing out the corrected forms. (The corrected forms were not mailed out from Wilmington Trust until 2/24/09 and 2/25/09). This was followed up by a phone call to the retiree the following day to ensure that the corrected forms were received. Joanne Philbrick asked why the apology letter did not have a date on it, and asked when it would be mailed. Mr. Shegoski stated that it would be mailed out today, 2/17/09. Paul Schroder mentioned that the retirees are extremely frustrated with all of the problems with Wilmington Trust, and that the 1099R form problem was not the first. Donna DesSureau stated that she agreed with Mr. Shegoski's assessment of Wilmington Trust's lack of quality control, noting that the forms were clearly not checked for accuracy before they were mailed. She mentioned that she noticed the first problem the last week of January and notified Kathy Garvin at Wilmington Trust and asked them not to mail them out until they were corrected. She continued, noting that she had been told that the corrected forms were being mailed the week of 2/6/09, then was told that the forms were mailed out on 2/11/09, noting that as of today retirees were still calling to complain that they had not received any corrected forms. She stated that the first apology letter sent to the retirees stating that corrected forms would be mailed out the week of 2/6/09 did not have a name or signature on it and did not appear to be very apologetic. She mentioned that a retiree came in on 2/13/09 with a supposedly corrected form that still had mistakes, and that while talking with Kathy Garvin today Kathy stated that several forms were pulled on Friday and were going in the mail today, 2/17/09. She stated that she asked Kathy Garvin for a list of retirees affected by the problem in order to know what to tell callers as the calls were coming in nonstop, and that as of the start of this meeting she still did not have an updated list. Marc Shegoski stated that even though they made the offer to the retirees for the overnight send, the retirees should not have had to call them to request the form. Donna DesSureau mentioned several other outstanding issues with Wilmington's online system, including the inability to look up one person's data from one date to another. Brian Curtin mentioned that the Treasurer's office still have not received an acceptable check register from Wilmington, either. Mr. Shegoski again stated that Wilmington Trust's lack of service was not acceptable. He also requested that a retiree database should possibly be set up so that retirees could be contacted quickly in case of a problem. Motion by Paul Schroder to move to Item A under Old Business (OPEB RFP update); seconded by Frank Davis; all in favor.
- E. (Formerly Item A under Old Business) OPEB RFP - updated document for review and discussion. Purchasing Agent William Block reviewed the changes to the updated document. After a discussion of the updated proposal, motion made by Paul Schroder to have William Block advertise the RFP; seconded by Sarah Kannas; all in favor. Motion by Paul Schroder

- to return to Item F (Formerly Item D) - Request from Marc Pilcher for a refund/rollover of pension contributions and interest. Motion seconded by Frank Davis; all in favor. Mr. Block left the meeting at this point (7:15 PM). Mr. Curtin also left the meeting at this point (7:15 PM).
- F. (Formerly Item D) Request from Marc Pilcher for a refund/rollover of pension contributions/interest. Mr. Pilcher resigned effective 2/3/09. Motion to approve by Jerald Navick, seconded by Sarah Kannas; all in favor.
 - G. (Formerly Item E) Notification and calculation of a survivor pension for Agnes Larkin, spouse of retiree Wallace Larkin, who died on 1/20/09. Motion to accept the calculations and notification by Paul Schroder, seconded by Jerald Navick; all in favor.
 - H. (Formerly Item F) Notification and calculation of a survivor pension for Caroline Johnson, spouse of Bd. of Ed. employee Robert Johnson, who died on 1/14/09. Mr. Johnson was an active employee who was already eligible for a deferred retirement with immediate benefits at the time of his death. Motion to accept the notification and calculations by Frank Davis, seconded by Frank Davis; all in favor.
 - I. (Formerly Item G) Pension QDRO calculation for Carolyn Grillo, alternate payee of Dennis Grillo, who retired on 1/3/09. Motion to accept the calculation by Frank Davis, seconded by Jerald Navick; all in favor.
 - J. (Formerly Item H) Medical bills for payment - no business under this item. Discussion as to whether this item is necessary on each agenda, or if it falls under the same category as the military buybacks, which are handled by the Human Resources Dept. and not brought to the agenda. Paul Schroder suggested that this item be tabled under further research could be done.
 - K. (Formerly Item I) Discussion on expired terms/election of Personnel & Pension Board members. Paul Schroder mentioned that in the Charter under the Personnel section, that the Personnel & Pension Board elections should be every 5 years. After discussion, Paul Schroder suggested that we go by the Charter until we find other updated information. Tom Dawkins left the meeting at this time (7:32 PM).
 - L. (Formerly Item J) Employees to be admitted into the City Retirement Fund. No action under this item.
 - M. (Formerly Item K) New employees. No action under this item.

IV. Old Business

- A. OPEB discussion and update. Under suspension of the rules, item moved to New Business as Item B.
- B. Pension calculation for Dorothy Nowakowski, who retired on 1/7/09 from the Finance Dept. - annual amount = \$31,741.66. Motion to approve by Sarah Kannas; seconded by Frank Davis; all in favor.
- C. Pension calculation for Lester Smith, who retired on 1/2/09 from NPU - annual amount = \$63,038.38. Motion to approve by Sarah Kannas, seconded by Frank Davis; all in favor.
- D. Pension calculation for Dennis Grillo, who retired on 1/3/09 from NPU - annual amount = \$49,627.65. This amount has already been reduced by the QDRO payment. Motion to approve by Jerald Navick, seconded by Sarah Kannas; all in favor.
- E. Letter to Jennifer Elazhari regarding her pension refund for review and signature. Secretary Donna DesSureault passed out a draft copy of a letter to Jennifer Elazhari that she had written, brought to the Board for editing/approval. The letter stated that Ms. Elazhari's refund would be processed and that she is officially withdrawn from the Retirement Fund, and was attached to a copy of the letter sent to Ms. Elazhari from the Personnel & Pension Board on 11/18/08. After discussion and slight editing, Paul Schroder stated that he would come to the Human Resources office to sign the original letter. Motion to send out the amended letter by Sarah Kannas, seconded by Frank Davis; all in favor.

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- F. Status update on Steven Palmer's retirement and Workers' Compensation payments.
Discussion tabled until the next meeting.
- G. Status update on Jeffrey Giovanni's retirement and Workers' Compensation payments.
Discussion tabled until the next meeting.

V. Adjournment

- 1. Motion by Paul Schroder; seconded by Frank Davis to adjourn the meeting. All in favor.
Meeting adjourned at 7:55 PM.

Respectfully submitted,



Donna DesSureau, Secretary