MEETING MINUTES - AUGUST 14, 2025 - 3:00 p.m.

MEMBERS PRESENT: D. Hall, B. Curry, J. Wohler, C. Siefert

ABSENT: P. Levanti

ALSO PRESENT: K. Gervais, S. Konakowitz, D. Cunningham, M. Fratini (Via Zoom)

CALLED TO ORDER: Chairman B.Curry called the meeting to order at 3:06pm and led the Pledge of Allegiance.

MOTION: J. Wohler made a motion to accept May 8th, 2025, 2nd by D. Hall. Motion passed unanimously 4-0-0

Matthew Fratini of Fiducient Advisors joined via ZOOM and discussed portfolio investments.

Mr. Fratini led a discussion on portfolio expense structure. Further discussion on annual fees from each investment fund.

Mr. Fratini led the Pension Board in its review fund manager, Harding Loevner. Fiducient has moved this portfolio manager to "Watch" list due to portfolio manager relinquishing some responsibilities and possibly setting the fund up for an upcoming retirement.

Mr. Fratini discussed Nationwide WCM and Conestoga underperforming the broader benchmark. Stock selection has played a role in the underperforming funds, but Fiducient is confident in their respective strategies and believe once the Federal Reserve cuts rates, these two funds should rebound. Mr. Fratini also noted Fund Manager GQG is driving the international underperformance as it is underweight China and South Korea and overweight India. After review, Fiducient had no recommended changes to the fund managers at this time.

Stacey Konakowitz reported that there was one new retirement in the month of July.

Discussion of Pension Ordinance Revision: Discussion regarding a change to the pension ordinance to include oversight of the define contribution plan funds and OPEB (Other Post Employment Benefits) oversight responsibilities. Discussion around adding an attendance clause since the Board only meets quarterly. This will be presented to the Board of Selectmen once drafted by Town's counsel.

OTHER BUSINESS:

Discussion around newly settled UPSEU contract agreement and the conversion from defined benefit to defined contribution plan for the employees.

K. Gervais discussed the possibility of an early retirement incentive program for the FY2026 budget year.

K. Gervais is to reach out to David Woodmansee and discuss actuarial study to determine costs.

Next meeting is scheduled for November 13th, 2025 at 3:00pm.

Motion to adjourn made by C. Siefert; 2nd by J. Wohler 4:15pm. Passed unanimously.

Respectfully Submitted - Kevin Gervais, Finance Director

OTHER BOARDS

§ 31.55 PENSION BOARD.

- (A) Established. There is established a five-member Pension Board for the purpose of administration, management, supervision and control of the town pension plan (the "plan"), as more particularly set forth hereinafter.
 - (B) Composition and terms.
- (1) The management and administration of the plan is hereby vested in the Pension Board, which shall consist of five resident electors of the town who shall be appointed by the Board of Selectmen.
- (2) The terms of the Board Members are as follows: three terms shall be filled by appointment until the first Monday of January, 2024; two terms shall be filled by appointment until the first Monday of January, 2026. Thereafter, the terms for each of the members shall be four years.
- (3) One of the members shall be an employee of the town who is a member of the plan. Two of the members shall be experienced in making investments of the kind in which the pension fund may be invested.
- (4) The First Selectman, Finance Director, and Human Resource Director shall be ex-officio members. They shall not have a vote and shall not be counted in determining a quorum.
 - (C) Powers and duties.
- (1) The Pension Board may make rules and regulations for the administration of the plan which are not inconsistent with its terms and provisions. The Pension Board may construe the plan, and its constructions thereof and action thereon in good faith shall be final and conclusive. It may correct any defect or supply any omission or reconcile any inconsistency in such manner and to such extent as it shall deem expedient to carry the same into effect, and it shall be the sole and final judge of such expediency. The Pension Board shall supervise and control the operation of the plan in accordance with the terms hereof and shall have all powers necessary to accomplish that purpose.
- (2) The Pension Board may employ such actuarial, legal, consulting and other services as it deems necessary for the proper operation of the plan or pension fund within the limit of such appropriations as may be made for such purposes. The town, as directed by the First Selectman, may provide administrative support for the Pension Board and shall employ such staff as may be approved by the Board of Selectmen for such purpose.
 - (D) Investment powers.
- (1) The Pension Board shall manage and control the pension fund and shall invest and reinvest the principal and income of such fund, except so much thereof as the Pension Board shall deem necessary to meet allowances and benefits hereunder, in securities legal for investment by trustees under the laws of this state. The Pension Board may invest any portion of the pension fund in any group trust or common trust fund exempt from tax under § 501(a) or § 584, respectively, of the Internal Revenue Code of 1986, as amended, that holds assets of retirement plans exempt from tax under § 401(a) of such code. Any such group trust or common trust fund shall be considered a part of the plan.

- The Pension Board may provide by trust, agency, custodian or other agreement with one or more corporate fiduciaries for the custody, safekeeping, handling, investment and reinvestment, under the direction of the Pension Board, of the pension fund's investments.
- (3) The Pension Board may open in the name of the town pension plan, with one or more banks or trust companies, such accounts as it shall deem necessary for the deposit and withdrawal of the funds received by it and which are to be administered under the terms and provisions of the pension plan.
- (E) Insurance. The Pension Board may procure in the name of the town an appropriate group contract or contracts from any insurance company duly authorized to transact business in the state for the purpose of funding all or a portion of the benefits available from time to time under the plan. The type of contract or contracts and all terms and conditions thereof shall be determined by the Pension Board on a basis which is consistent with the provisions of the plan. No publicly owned corporation, insurance company, or bank shall be disqualified from being the trustee, agent, custodian or depository, or from participating in the funding management of the pension fund pursuant to this section, solely because one or more members of the Pension Board may be an employee, officer, director or minority stockholder of such corporation, insurance company or bank.

(F) Reports.

- (1) The Pension Board shall submit annually to the Board of Selectmen a schedule of its estimated expenses necessary for the administration of the plan and its estimate of the liability of the town to the Pension Board.
- (2) The Pension Board shall annually report to the Board of Selectmen the financial condition of the plan, including, at least every other year, an actuarial valuation of assets and liabilities and setting forth such other facts, recommendations and data as may be of value to the members of the plan and the Board of Selectmen.

(Ord. passed 2-16-2022)

circumstances, the parties will meet to negotiate a substitute health insurance plan.

Employees hired on or after August 1, 2008, must work thirty (30) or more hours per week to be considered eligible employees.

The cost share for the Connecticut State Partnership 2.0 Plan (or substitute plan, if applicable) shall be as follows:

July 1, 2025 20.0% July 1, 2026 20.5% July 1, 2027 21.0% July 1, 2028 21.5%

Employee payment shall be made through a payroll deduction which shall be done by the adoption of an Internal Revenue Code Section 125 pre-tax premium conversion account so that health insurance contributions may be made from pre-tax dollars.

b) WAIVER OF COVERAGE OPTION. Employees may voluntarily elect to waive, in writing, all medical insurance coverage outlined above. Payment to those employees waiving such coverage shall be made in July of each year for the previous year in the amount set forth below. The payment shall be pro-rated for employees hired between July 1st - June 30th based on their hire date.

Number of Eligible employees who elect to waive:

9 or less	10-12	13-15	16 or more
\$1,500.00	\$2,000.00	\$2,500.00	\$3,000.00

13.1 The Town shall provide and pay for each employee a fifty-thousand-dollar (\$50,000.00) term life insurance policy.



ARTICLE XIV - PENSION

- 14.0 Pension rights are defined in the Town Pension Plan and are not covered by this Agreement. The Town Pension Plan shall not be opened for negotiations during the term of this Agreement.
- 14.1 Effective July 1, 1999, pension credits shall accrue upon completion of probation, retroactive back to date of hire.
- 14.2 The Town, in its discretion, may offer an early retirement incentive plan during any year of this Agreement. The specifics of the plan shall be determined by the Town.

14.3 Employees hired prior to July 1, 2025:

Employees hired prior to July 1, 2025 will have the option to remain as a participant in the Town Defined Benefit Plan, or freeze their Town Defined Benefit Plan or may elect to transfer Town Defined Benefit Plan funds to the 401(a) plan.

All employees hired prior to July 1, 2025 may elect to remain as a participant in the Town Defined Benefit Plan or transfer their Town Defined Benefit Plan funds in accordance with the following:

- (a) On or before January 1, 2026, the Town will offer employees hired prior to July 1, 2025 a 401(a) defined contribution plan in addition to the Town Defined Benefit Plan. The Town agrees to contribute one percent (1%) with a mandatory employee contribution of two percent (2%) to the 401(a) plan, as elected by the employee. This option is a one (1) time election and is not revokable, unless (b) or (c) below is subsequently elected by the employee;
- (b) freeze their Town Defined Benefit Plan funds and enroll in the 401(a) plan for future contributions in accordance with the contributions as set forth below; or
- (c) for any employee who elects to move to the DC Plan, the employee may elect to have the value of their vested accrued benefit from the Town Defined Benefit Pension Plan transferred to the 401(a) plan. The total sum of the funds that are transferred to the 401(a) plan shall be determined by using the Defined Benefit Pension Plan's Actuarial Equivalence definition. The employee will enroll in the 401(a) plan for future contributions in accordance with the contributions as set forth below.

If an employee is interested in transferring their Town defined benefit plan funds to the defined contribution plan (the 401(a) plan) under (c), they should submit a request in writing so that the Town can provide the employee with an estimate of the present value of their accrued benefit in the defined benefit plan. For any employee who submits a request in writing to the human resources department to move to the defined benefit plan, the Town will determine the present value of the employee's accrued benefit to be transferred using the Defined Benefit Pension Plan's Actuarial Equivalence definition. Once an employee moves from the defined benefit plan to the defined contribution plan, under the defined contribution plan shall apply based on their date of hire.

Employees enrolled in the Town Defined Benefit Pension Plan who seek to enroll in the 401(a) plan under (b) or (c) above, shall have their benefits frozen or funds transferred as soon as administratively possible after January 1, 2026.

Once an employee elects the 401(a) plan under (b) or (c) above, he/she shall no longer be eligible for contributions to the Town Defined Benefit Pension Plan. Rather, these employees shall receive the employer contribution as set forth below under "employees hired prior to July 1, 2025 who elect the Town's 401(a) Plan" with the twenty percent

(20%) vesting formula set forth herein for any 401(a) contributions from the Town from their date of hire as set forth below. Additionally, if applicable, these employees will no longer be eligible to receive the one percent (1%) contribution under (a) to the 401(a) plan if previously elected, since they will be receiving the employer contribution as set forth below.

Employees hired prior to July 1, 2025 who elect the Town's 401(a) Plan:

The Town will contribute to a 401(a)-plan six percent (6%) of the employee's regular straight time pay for an employee's contribution of three percent (3%). Employees who elect the Town's 401(a) plan must contribute the aforementioned three percent (3%).

Employees hired on or after July 1, 2025:

Employees hired by the Town on or after July 1, 2025 shall not be eligible for the Town's Defined Benefit Pension Plan. Rather, employees hired by the Town on or after July 1, 2025 shall be enrolled in a 401(a) plan. The Town will contribute to a 401(a)-plan six percent (6%) of the employee's regular straight time pay for an employee's mandatory contribution of three percent (3%) (fifty percent (50%) of the employee's six percent (6%) contribution).

All eligible employees:

For the Town's contribution to the 401(a) plan, employees become twenty percent (20%) vested with one (1) year of continuous, full-time service in the 401(a) plan with additional vesting of twenty percent (20%) each year to become fully vested at one hundred percent (100%) at five (5) years full-time service in the plan. Vesting for the Town's contribution shall be determined from the employee's date of hire. For the employee contribution, the employee is fully one hundred percent (100%) vested at the time of contribution.

ARTICLE XV - SAFETY, HEALTH and MISCELLANEOUS

15.0 When an employee feels that a working condition is unsafe or unhealthy, he/she shall bring the concern to the attention of his/her supervisor. If the supervisor does not agree the employee must follow the rule work now, grieve later, unless there is imminent danger to the employee's physical well-being. Issues concerning health and safety shall be presented by the Union President or his/her designee, in writing, to the appropriate department head for resolution. If the issue remains unresolved by the department head the Union may submit the issue to the Health and Safety Committee for consideration. The Employer shall make repairs or adjust unsafe or unhealthy working conditions as soon as practicable after determination by the Employer that such conditions need correcting.