

South Fire District  
of the City of Middletown  
Pension Committee Meeting  
Monday, December 10, 2018  
2:00 p.m.  
MINUTES

Present: Chairman William Gregorio, Chief Michael Howley, Firefighter Terrence Keenan, Firefighter Tim Heiden, Cindy Gotta and Michael Callahan.

Invited Guests: Seth Marsters, The Standard  
Michelle Wyatt and Amy Schulman, Lincoln Financial Group

1. CALL TO ORDER

Chairman Gregorio called the meeting to order at 2:05 p.m.

2. MINUTES TO BE APPROVED

a. MEETING OF SEPTEMBER 12, 2018

MOTION to approve the minutes of the September 12, 2018 Pension Committee meeting by Firefighter Keenan/Firefighter Heiden.  
Unanimously approved.

3. DISCUSSION REGARDING RESULTS OF UNION MEETING  
REGARDING THE OPTIONS OF VENDORS.

Firefighter Keenen and Firefighter Heiden presented two union member concerns:

a. Do the funds available under the new contacts perform better than those with Voya?

b. Can the Stable Value Fund go negative?

4. MEETING WITH THE TWO FINALIST VENDORS FOR THE SOUTH  
FIRE DISTRICT OF THE CITY OF MIDDLETOWN MONEY  
PURCHASE AND 457 PLANS.

a. **PRESENTATION FROM THE STANDARD.**

Seth indicated he would address those two issues. He began his presentation indicating the implementation timeframe for the conversion, if the Standard was chosen. The Standard has a unique payroll scrubbing program with over 80 data points that are reviewed.

They also take on more administration of the plan. They handle hardship distributions, loans (if any) and QDRO'S.

The Stable Value Fund will never go below the principal plus 1%.

We discussed the selection of funds and the open architecture approach and how funds are selected. Also, we had a discussion regarding Target Date Funds and how they are constructed and their glidepath. Seth indicated the Standard uses customized programs which have a glidepath to retirement then through retirement.

If employees use the planning process, and change deferrals, the plan sponsor will get reports each week on changes made.

b. **PRESENTATION FROM THE LINCOLN FINANCIAL GROUP**

Michelle indicated they have invested \$150 million in Technology. They are located in Fort Wayne, Indiana. Michelle talked about the services of the Lincoln Financial Group and how they are organized. Michelle indicated their Wellness Path covers all employees, for debt and other financial planning issues.

Amy discussed, in great detail, the commitment to service The Lincoln Financial Group makes to their clients. She is a relationship manager and only services 50 clients. They continue to offer paper statements.

The Lincoln uses Morningstar for the BluePrint program and is managed by Morningstar, identical to the Voya program.

They have a Stable Value Fund and Bill Clairon from The Lincoln called in and talked about their funds. They also will not go below 1% guaranteed credited interest.

The Lincoln provides annuitization for the account balances at 5% payouts for life (4.5% for Joint and Survivor).

5. DISCUSSION

The committee continued to meet and discussed the variances between the two vendors. The committee instructed Michael Callahan to contact Seth Marsters regarding the underlying investments of the Stable Value Fund and request the demo sites from both vendors.

6. RECOMMENDATION TO THE COMMISSION

No recommendations were made at this time.

7. NEW BUSINESS

None.

8. ADJOURNMENT

MOTION to adjourn by Firefighter Heiden/Firefighter Keenan.  
Unanimously approved.

Meeting adjourned at 4:50 p.m.

Submitted by,



Cynthia L. Gotta  
Pension Committee Secretary