

South Fire District
of the City of Middletown
Pension Committee Meeting
Friday, February 22, 2019
4:30 p.m.
MINUTES

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

1. CALL TO ORDER

Chairman Gregorio called the meeting to order at 4:35 p.m.

2. MINUTES TO BE APPROVED

a. MEETING OF December 10, 2018

MOTION to approve the minutes of the December 10, 2018 Pension Committee meeting by Firefighter Keenan/Firefighter Heiden.
Unanimously approved.

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

a. THE STANDARD.

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. 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. THE LINCOLN FINANCIAL GROUP

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

They have a Stable Value Fund the Lincoln. 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).

Costs, conversion features and liquidity issues were also discussed.

4. DISCUSSION

The committee continued to meet and discussed the variances between the two vendors. The Union like the components of the Lincoln and the fact that you have the option for the annuitization

Terrence Keenan went through the By-Laws for the Committee and a discussion was held regarding the procedures.

5. RECOMMENDATION TO THE COMMISSION

MOTION to recommend that we go with the Lincoln Financial Group made by Firefighter Terrance Keenan and seconded by Firefighter Tim Heiden. Unanimously approved. The commission will vote on the recommendation at their next meeting,

6. NEW BUSINESS

None.

7. ADJOURNMENT

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

Approved

Meeting adjourned at 5:40 p.m.

Submitted by,

Cynthia L. Gotta
Pension Committee Secretary