



Town of New Fairfield
4 Brush Hill Road
New Fairfield, Connecticut

PENSION COMMISSION
SPECIAL MEETING
ZOOM MEETING

Join Zoom Meeting

<https://zoom.us/j/97380054315>

Meeting ID: 973 8005 4315

Dial In: (929) 205-6099

Friday, February 2, 2024

10:30 A.M.

AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Public Comment
4. Approval of Minutes - January 11, 2024 Pension Commission Meeting
5. Length of Service Award Program (LOSAP) Status Update and Possible Vote on Next Steps
6. Discuss and Possible Vote on Actuarial Determined Contribution Amounts for Fiscal Year 24/25 for the Town and Board of Education
7. Public Comment
8. Adjournment

Received by email on 01/30/2024 @ 2:52 p.m.
by Chrystie M. Bontempo, Asst. Town Clerk, New Fairfield

Town of New Fairfield
4 Brush Hill Road
New Fairfield, CT 06812

MINUTES

Pension Commission
Thursday, January 11, 2024
10:30 AM
Via Zoom

Pension Commission members
Melissa Lindsey, First Selectman
Terry Friedman, Treasurer
Olga Melnikov, Finance Director

Other Officials Present:
Rich Kalinka, Fire Department member
Ed Sbordone, Deputy Treasurer, BOE/PBC member
Cheryl Reedy, BOF member/Fire Dept. member

Finance Director Olga Melnikov explained the rules and regulations for a virtual meeting.

Call To Order Melissa Lindsey called the meeting to order at 10:30 am

Public Comment

Cheryl Reedy spoke on behalf of the Fire Department and thanked the Pension Committee for looking into this issue.

Mark Werner spoke of the frustration with the current pension providers and thanked the Pension Committee for addressing this issue. He encouraged the committee to not let budget constraints sway their decisions.

Approval of Minutes

Melissa Lindsey made a motion to approve the minutes of the April 18, 2023 Pension subcommittee meeting as presented. Terry Friedman seconded the motion. **Vote: 3-0-0 (Motion approved)**

Discussion and vote on the Length of Service Award Program (LOSAP) Plan Management

Town Treasurer Terry Friedman spoke of frustrations with the current plan management company for the Fire Department pension plan. She noted that current company is slow to respond and information is not readily available. She spoke of fees and returns for the current plan.

Terry Friedman noted that the town approached the current pension providers for our Town, BOE and OPEB plan to see if the Fire Department LOSAP fund could be supported by these providers. The process to make a move would likely require legal assistance. The comparisons of the two options notes that continuing with the existing LOSAP plan would be the most cost effective option but does not provide an acceptable level of transparency and service. Moving to providers currently used by the town for the Town, BOE and OPEB plans would provide more transparency and service but would likely require an upfront investment in legal advice.

Terry Friedman recommended that the process to begin moving the plan be started in fiscal year, as long as it can be afforded in the 2023-2024 budget. If not, it is recommended that this wait until the next fiscal year. Olga Melnikov spoke of the legal requirements to move the pension plans. There was a discussion of the best ways to change plans. Rich Kalinka and Mark Werner spoke of the process for moving plans.

Terry Friedman made a motion to explore making the switch in the LOSAP Plan Management and pursue engaging legal services to better understand the cost and timing for making the switch. Olga Melnikov seconded the motion. **Vote: 3-0-0 (Motion approved)**

Public Comment

Cheryl Reedy and Rich Kalinka thanked the pension committee for addressing this issue.

Adjournment

Melissa Lindsey made a motion to adjourn the meeting at approximately 11:05 am. Olga Melnikov seconded the motion. **Vote: 3-0-0 (Motion approved)**

Respectfully submitted,
Suzanne Kloos

Received by email on 01/18/2024 @ 8:30 a.m.
by Chrystie M. Bontempo, Asst. Town Clerk, New Fairfield

Length of Service Award Program (LOSAP) – Status Update

Lawyer recommended by the Town/BOE's current pension plan providers contacted for projected legal fees and timing

- LOSAP program requires a trust
- Documentation and possibly program terms require updating
- Estimated legal cost in the \$1,500 - \$2,500 range
- Any changes in plan design changes should be done simultaneously

Next steps

- Fire department to provide any recommended plan changes (including costs & alternatives) to the Pension Commission
- Upon finalization of plan design:
 - Town to engage lawyer to establish trust and update plan documentation. Use lawyer that provided above input.
 - Town to proceed with the changes in plan investment, actuarial and administrative firms as approved at the Pension Commission meeting on January 11th, 2024

**The Town of New Fairfield Retirement Income Plan
Highlights of the July 1, 2023 Valuation**

Summary of Key Results

	2022 Valuation	2023 Valuation			
		Baseline	Update for ARPA Salary Adjustments	Extend Amortization Period	Extend Amortization Period More
Interest Rate	6.75%	6.75%	6.75%	6.75%	6.75%
Mortality	PUB-2010 MP-2019 Ultimate	Same as 2022	Same as 2022	Same as 2022	Same as 2022
Accrued Liability	\$13,340,472	\$14,243,516	\$14,082,133	\$14,082,133	\$14,082,133
Actuarial Value of Assets	11,630,879	12,097,988	12,097,988	12,097,988	12,097,988
Unfunded Accrued Liability	1,709,593	2,145,528	1,984,145	1,984,145	1,984,145
Funded Ratio	87.2%	84.9%	85.9%	85.9%	85.9%
Amortization Period	15	14	14	15	17
Amortization Growth Rate	3.50%	3.50%	3.50%	3.50%	3.50%
Past Service Cost	140,258	185,916	171,932	162,782	147,766
Total Normal Cost	282,236	313,215	309,887	309,887	309,887
Expected Employee Contributions	0	0	0	0	0
Expected Expenses	28,600	21,700	21,700	21,700	21,700
Net Normal Cost	310,836	334,915	331,587	331,587	331,587
Interest	30,449	35,156	33,988	33,370	32,356
Actuarially Determined Contribution	481,543	555,987	537,507	527,739	511,709
For Fiscal Year	2023-24	2024-25	2024-25	2024-25	2024-25
YTY		74,444	55,964	46,196	30,166
YTY %		15.5%	11.6%	9.6%	6.3%

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**The New Fairfield Board of Education Retirement Income Plan
Highlights of the July 1, 2023 Valuation**

Summary of Key Results	2022 Valuation	2023 Valuation		
		2023 Baseline	Extend Amortization Period	Extend Amortization Period More
Interest Rate	6.25%	6.25%	6.25%	6.25%
Mortality	PUB-2010/MP-2019 Ultimate	Same as 2022	Same as 2022	Same as 2022
Accrued Liability	\$12,194,839	\$13,158,258	\$13,158,258	\$13,158,258
Actuarial Value of Assets	10,905,472	11,396,064	11,396,064	11,396,064
Unfunded Accrued Liability	1,289,367	1,762,194	1,762,194	1,762,194
Funded Ratio	89.4%	86.6%	86.6%	86.6%
Amortization Period	15	14	15	17
Amortization Growth Rate	3.50%	3.50%	3.50%	3.50%
Past Service Cost	102,618	148,432	140,249	126,805
Total Normal Cost	324,622	312,361	312,361	312,361
Expected Employee Contributions	0	0	0	0
Expected Expenses	35,800	26,500	26,500	26,500
Net Normal Cost	360,422	338,861	338,861	338,861
Interest	28,940	30,456	29,944	29,104
Actuarially Determined Contribution	491,980	517,749	509,054	494,770
For Fiscal Year	2023-24	2024-25	2024-25	2024-25
YTY		25,769	17,074	2,790
YTY %		5.2%	3.5%	0.6%

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