

PERSONNEL, PENSION AND INSURANCE COMMITTEE
SPECIAL MEETING
The Metropolitan District
555 Main Street, Hartford
Wednesday, October 8, 2014

Present: Commissioners Daniel Camilliere, Donald Currey, Thea Montanez, Albert F. Reichin, Raymond Sweezy, Alvin E. Taylor and District Chairman William A. DiBella (7)

Absent: Commissioners Timothy Curtis, Joseph Klett, Maureen Magnan, J. Lawrence Price and Pasquale J. Salemi (5)

Also

Present: Commissioner Allen Hoffman
Charles P. Sheehan, Chief Executive Officer
Scott W. Jellison, Deputy CEO, Engineering & Operations
John M. Zinzarella, Deputy CEO, Business Services
R. Bartley Halloran, District Counsel
Christopher R. Stone, Assistant District Counsel
John S. Mirtle, District Clerk
Gerald J. Lukowski, Director of Operations
Kelly Shane, Director of Procurement
Rob Constable, Manager of Budgeting and Analysis
Stanley Pokora, Manager of Treasury
Erin Ryan, Director of Human Resources
Kerry E. Martin, Assistant to the Chief Executive Officer
Cynthia A. Nadolny, Executive Assistant
Joe Vitale, Bond Counsel

CALL TO ORDER

Chairman Taylor called the meeting to order at 4:04 PM

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

No one from the public appeared to be heard.

APPROVAL OF MINUTES

On motion made by Commissioner Camilliere and duly seconded, the meeting minutes of July 14, 2014 were approved. Commissioner Reichin abstained.

**JOB CLASSIFICATION REVISION
FINANCIAL ANALYST**

TO: Personnel, Pension and Insurance Committee for consideration on October 8, 2014

Staff is recommending that the Classification Plan be amended to include the salary assignment for the previously approved position of *Financial Analyst* with a proposed value of EE-12 (annual range \$75,391 to \$98,008). This position was approved in March 2014 as a component of the classification and compensation study, but at that time, a salary was not assigned to the position. The assignment of this position to an EE-12 is consistent with the previous valuing of positions created from the generic "management analyst" job specification.

A thorough review of this position was conducted prior to advancing this recommendation for action.

Therefore, staff is recommending that the classification system be amended to reflect the *Financial Analyst* position and assign the classification a value of EE-12.

It is therefore **RECOMMENDED** that it be:

VOTED: That the Personnel Pension and Insurance Committee recommend to the District Board passage of the following resolution:

RESOLVED: That the classification system be amended to reflect the *Financial Analyst* position and assign this classification a value of EE-12.

Respectfully Submitted,

Charles P. Sheehan
Chief Executive Officer

On motion made by Commissioner Reichin and duly seconded, the resolution was adopted by unanimous vote of those present.

**EMPLOYEE BENEFITS CONSULTANT
RFQP 2014R-29**

TO: Personnel, Pension and Insurance Committee for consideration on October 8, 2014

Staff is recommending that the Personnel Pension and Insurance Committee enter into a 2-year contract with three additional 1-year option periods with Lockton Companies consultant firm in the capacity of Employee Benefits Consultant. The District advertised RFQP 2014R-29 in July 2014 to hire an Employee Benefits Consultant and received 9 proposals. Of those 9 proposals received, the 4 highest ranking firms were invited to interview with the selection panel and members of the Personnel Pension and Insurance Committee.

Upon completion of interviews, it was determined that the recommended firm submitted the most highly rated proposal with the lowest overall fee for services to be performed.

Therefore, staff is recommending that the Chief Executive Officer or his designee be authorized to enter into a contract with Lockton Companies to serve as Employee Benefits Consultant.

It is therefore **RESOLVED** that:

VOTED: That the Personnel Pension and Insurance Committee authorizes the Chief Executive Officer or his designee:

RESOLVED: To enter into a contract with Lockton Companies for a 2-year term as Employee Benefits Consultant, in accordance with the terms outlined in RFQP 2014R-29.

Respectfully Submitted,

Charles P. Sheehan
Chief Executive Officer

On motion made by Commissioner Sweezy and duly seconded, the resolution was adopted by unanimous vote of those present.

PENSION PLAN AMENDMENT TO COMPLY WITH *UNITED STATES V. WINDSOR*

TO: Personnel, Pension and Insurance Committee for consideration on October 8, 2014

As a result of the United State Supreme Court's decision in *United States v. Windsor*, 570 U.S. 12 (2013) for purposes of all federal law, including the laws governing the Plan, the terms "spouse," "husband," "wife," and "husband and wife" must

apply equally to individuals validly married under state law regardless of whether the marriage is a same-sex or opposite-sex marriage.

Therefore, staff is recommending that the Personnel Pension and Insurance Committee adopt the following *Windsor* amendment to the Plan:

**WINDSOR AMENDMENT
TO THE
RETIREMENT PLAN FOR EMPLOYEES OF
THE METROPOLITAN DISTRICT**

The Metropolitan District has adopted this Amendment to the Retirement Plan for Employees of The Metropolitan District (the "Plan"), in order to comply with the United States Supreme Court's decision in *United States v. Windsor*, 570 U.S. 12 (2013), effective as of the date set forth herein.

A new Appendix is added to the Plan to read as follows:

APPENDIX

Section 1 Preamble

1.1 This Appendix is intended to amend the Plan in a manner that is consistent with the United States Supreme Court's decision in *United States v. Windsor* and applicable guidance issued by the Internal Revenue Service.

1.2 Supersession of inconsistent provisions. This Appendix shall supersede any and all provisions of the Plan to the extent such provisions are inconsistent with the language of this Appendix.

Section 2 Definitions of "Marriage," "Spouse," "Husband," "Wife," and "Husband and Wife"

2.1 Effective as of the date set forth herein, the terms "marriage," "spouse," "husband," "wife," and "husband and wife" (including all variations thereof) when applicable under the Plan, shall pertain equally in regard to both a Participant who is validly married to an individual of the opposite sex and to a Participant who is validly married to an individual of the same sex.

Section 3 Valid marriage determined pursuant to state or jurisdiction of ceremony

3.1 A Participant is "validly married," for purposes of the Plan, if he or she is legally married pursuant to the laws of any state or similar jurisdiction, regardless of the Participant's state of domicile.

3.2 A Participant is not validly married, nor do the terms "marriage," "spouse," "husband," "wife," or "husband and wife" apply to a Participant, if he or she has entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under state law that is not otherwise denominated as a marriage under the laws of such state.

Section 4 Effective Date

4.1 The requirements of this Appendix are effective as of June 26, 2013.

THE METROPOLITAN DISTRICT

Witness:

By _____
Title:
Date:

It is therefore **RESOLVED** that:

VOTED: That the Personnel Pension and Insurance Committee adopt the following:

RESOLVED: That the Pension Plan be amended to comply with the United States Supreme Court ruling in *United States v. Windsor*, 570 U.S. 12 (2013).

Respectfully Submitted,

Charles P. Sheehan
Chief Executive Officer

On motion made by Commissioner Sweezy and duly seconded, the resolution was adopted by unanimous vote of those present.

**PENSION PLAN INVESTMENT POLICY MODIFICATIONS
NEW ASSET CLASS AND TARGET ASSET PERCENTAGES FOR THE DISTRICT'S
PENSION PLAN**

To: Personnel, Pension and Insurance Committee for Consideration on October 8, 2014

The District's financial advisor, DAHAB Associates, has proposed a revised target asset class distribution for the District's Pension Plan investments. The proposed asset classes now include an investment in timber, as well as modification to the existing asset class allocations. These changes to the pension plan investment policy are recommended to improve the pension plan's mix of asset classes to enhance performance while reducing the overall risk of the plan.

These proposed modifications are important for the Pension Plan's long-term investment performance and incorporate the following recommendations from DAHAB Associates:

A. Asset Target %

	Current Targets	Proposed Targets
Domestic Equity		
- Large Cap	17.5%	30.0%
- Mid Cap	17.5%	10.0%
- Small Cap	12.5%	10.0%
International Equity	10.0%	10.0%
Emerging Markets	10.0%	0.0%
Fixed Income		
-Global Fixed	5.0%	12.5%
-Broad Fixed (Aetna)	19.5%	15.0%
Real Estate	5.0%	7.5%
Timber	0.0%	5.0%

Cash & Equivalents

-Aetna Cash Acct	3.0%	0.0%
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B. Asset Allocation Range %

	Current Alloc %	Proposed Alloc %
Domestic Equity		
- Large Cap	12.5% to 22.5%	22.0% to 38.0%
- Mid Cap	12.5% to 22.5	7.0% to 13.0%
- Small Cap	9.5% to 15.5%	7.0% to 13.0%
International Equity	7% to 13%	7% to 13%
Emerging Markets	7% to 13%	0.0%
Fixed Income		
-Global Fixed	2% to 8%	9.5% to 15.5%
-Broad Fixed (Aetna)	14.5% to 24.5%	12.0% to 18.0%
Real Estate	2% to 8%	4.0% to 11.0%
Timber	0%	2% to 8%
Cash & Equivalents		
-Aetna Cash Acct	0 to 15%%	0% to 15%

DAHAB Associates is also recommending that a new investment manager search be conducted for all asset classes once the new asset class and revised target allocation percentages for the pension plan are approved.

DAHAB Associates, with the assistance of staff, will issue a Request for Proposals (RFP) for investment managers for all asset classes. Following an initial screening of the responses, a list of qualified investment managers will be presented to the Pension Investment Subcommittee for review and final selection of investment manager for the approved investment classes.

Based on the foregoing, it is recommended that it be:

RESOLVED: That Timber be adopted as a new asset class within the pension plan investment policy by the Personnel, Pension and Insurance Committee.

RESOLVED: That Personnel, Pension and Insurance Committee adopt the following Asset Target Percentages and Asset Allocation Percentage Ranges.

RESOLVED: That DAHAB Associates be authorized, with oversight by staff, to conduct an Investment Manager Search for MDC Pension Plan Investments.

Respectfully Submitted,

Charles P. Sheehan
Chief Executive Officer

On motion made by Commissioner Sweezy and duly seconded, the resolution was adopted by unanimous vote of those present.

ADJOURNMENT

The meeting was adjourned at 4:15 PM

ATTEST:

John S. Mirtle, Esq.
District Clerk

Date Approved