



Town of Simsbury

933 HOPMEADOW STREET

P.O. BOX 495

SIMSBURY, CONNECTICUT 06070

Thomas F. Cooke - Director of Administrative Services

BOARD OF SELECTMEN MEETING AGENDA SUBMISSION FORM

1. **Title of submission:**

Expansion of Role of Pension Sub-Committee
to Function as Retirement Plan Sub-Committee

2. **Date of submission:** August 7, 2013

3. **Date of Board Meeting:** August 12, 2013

4. **Individual or Entity making the submission:**

Thomas F. Cooke – Director of Administrative Services

5. **Action requested of the Board of Selectmen (Acceptance of gift, creation of reserve, approval of contract, information only, etc. Be as specific as possible with respect to the desired action of the Board.):**

The Individual or Entity making the submission requests that the Board of Selectmen:

Expand the role of the Pension Sub-Committee to include oversight of the investment offerings in the Town of Simsbury's existing 457 Plan and its new 401(a) Defined Contribution Plan.

6. **Individual(s) responsible for submission (Please include complete contact information. The identified individual(s) should be prepared to present information to the Board of Selectmen at the Board Meeting.):**

Thomas F. Cooke – Director of Administrative Services – (860) 658-3230

7. **Summary of Submission** (Include in your summary (i) relevant dates and timelines; (ii) parties involved; (iii) a description of financial terms and conditions specifically identifying the financial exposure/commitment of the Town of Simsbury; (iv) whether or not contracts, licenses and other legal documents have been reviewed by the Town's counsel; and (v) other information that will inform the Board of Selectmen's consideration of your submission. Include any additional information in an attached memorandum.):

The Board of Selectmen's Pension Sub-Committee meets on a regular basis with Fiduciary Investment Advisors, LLC ("FIA") – the Town's independent fiduciary advisor – to monitor the Town's pension plan investments and strategies and regularly makes recommendations to the various boards with respect to pension plan matters. The Sub-Committee is comprised of two members each from the Boards of Selectmen, Education and Finance and includes two members-at-large with long-term experience with the Town's pension plans. While final decision-making responsibility for the pension plan investments and funding rest with the Board of Finance, the Sub-Committee has provided a useful vehicle for all three of the Boards to provide input on the direction of the pension plans.

The Town of Simsbury also maintains a 457 retirement savings plan which provides employees of the Town (and several Board of Education employees as well) with a pre-tax retirement savings vehicle. The 457 plan has been administered by The Hartford for years. Historically, the investment options in the 457 plan have been reviewed with Town staff and have not been within the purview of the Pension Sub-Committee. The 457 plan currently has over \$7 million in employee assets. With the purchase of The Hartford by MassMutual, the 457 plan will now be administered by MassMutual.

In addition, the Town of Simsbury and the Board of Education have created 401(a) defined contribution plans for certain of their respective employees which became effective on July 1, 2013.

This Board approved the retention of FIA to work with the Town on (1) creation of the defined contribution plan and (2) ongoing oversight of the investment options provided to employees in both the defined contribution plan and the existing 457 plan. Town and Board of Education staff have worked with FIA to set up the defined contribution plans and the Town is in the process of revising the 457 plan's investment options based on recommendations from FIA. The revisions are also intended to match the investment options in the 457 and defined contribution plans.

Given the increasing importance of the 457 and defined contribution plans to the Town of Simsbury's retirement plan offerings, I am recommending that ongoing oversight of these plans – similar to the oversight provided for the pension plans – be added to the responsibilities of the Pension Sub-Committee. FIA will monitor the performance of the investment options and recommend changes and adjustments to the Sub-Committee. In connection with the proposed change, I am also proposing that the Sub-Committee be renamed as the Retirement Plan Sub-Committee.

8. **Description of documents included with submission** (All documents must be in final form and signed by the appropriate party.):

The following documents are included with this submission and attached hereto:

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