



TRUMBULL POLICE PENSION FUND BOARD OF TRUSTEES

PENSION TRUSTEES

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RAYMOND G. BALDWIN, JR., CHAIRMAN
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MARY BETH THORNTON
CHRIS TREFZ

Special Trumbull Police Pension Board of Trustee Meeting
January 17, 2023

MINUTES

The Trumbull Police Pension Fund Board of Trustees meeting was called to order at 3:30 p.m.

Members Present: Donald Allen
Robert Coppola
Angelo Magliocco
Edgar Perez
Mary Beth Thornton

Absent: Raymond G. Baldwin, Jr., Chairman
Michael Lombardo
Chris Trefz

Also Present: Kevin Sullivan, USI (by phone)
Pamela Anderson, USI (by phone)

Discussion and Approval of Discount Rate and Mortality Rate

Trustee Coppola referred to the November meeting regarding the Actuarial Evaluation and presentation (pg. 10). The Police Pension Board needs to discuss, vote and approve the mortality assumptions and discount rate. Trustee Coppola asked if Mr. Sullivan would refresh the Board about that discussion before any decisions are made.

Mr. Sullivan discussed the Status Quo which is the current. The two assumptions that were discussed were, updating the mortality table assumption which takes newer information and expects that retirees will live a little longer which increases the liability. The second assumption

would be lowering the discount rate from 7.25% to 7%. The idea there is by lowering the discount rate, the Board is assuming the plan trust will generate less future investment earnings. That means liabilities are higher and the contributions would need to be a little higher to balance out. Regarding page 10 from the November meeting the Status Quo would produce a recommended contribution or an actuarial deterrent contribution of just over \$2.5 M. Updating the mortality table assumption alone and leaving the discount rate at 7.25% would increase the contribution to \$3.12 M with a small increase in normal cost. Mr. Sullivan went on to explain that by decreasing the discount rate to 7% in addition to the mortality rate that change raises the contribution up to \$3,523,000 million. That would be about a \$400,000 increase with just updating the mortality assumption.

Trustee Coppola indicated at the last meeting it was brought up by changing the contributions it would put the Trumbull Police Pension Plan in line with other plans. Trustee Coppola mentioned page 9 Plan Funded Status - Preliminary showed 73 other public municipal plans in the Wilshire Report in City and County Retirement System. Trustee Coppola asked if he understood that correctly.

Mr. Sullivan responded that is correct. He went on to explain in more detail that a general trend that has been occurring for several years now and is slowly progressing with the discount rates. He shared that most plans are around 7% or in the processing of lowering their discount rates from the 7.25%. Mr. Sullivan indicated the most common discount rate is 7% for most public section plans.

Trustee Coppola had no further questions.

Trustee Magliocco asked what is the new mortality rate is and what the age is.

Trustee Coppola asked what would be the updated mortality rate table the Police Pension would be switching too.

Mr. Sullivan responded the new table would be, Pub S Table. Pub 2010 table series were created a couple years ago based on data up to 2010. Based on the universe of public employees. There are different tables but the one that will be used is specifically designed for public safety employees.

Trustee Coppola asked Mr. Sullivan once the decision is made on the Mortality Rate and Discount Rate, how long it would take to complete the report.

Mr. Sullivan indicated once the decision is received from the Board, the report will be finalized by middle of next week.

Trustee Coppola shared that Maria Pires indicated the Town of Trumbull only updated the Mortality table.

Trustee Magliocco asked what does the discount rate affect.

Trustee Coppola indicated how he understands what the changes would do, the lower the discount rate the higher the ARC would be. The higher the discount rate, the lower the ARC would be. It is like a smoothing process as Mr. Fisher explained, over the course of a 30 year horizon that the pension fund has.

The Board of Trustees discussed in detail what would be best for the Police Pension Plan.

There were no further questions.

Motion made by Trustee Coppola to update the mortality assumption as well as decreasing the discount rate per the recommendation of Kevin Sullivan, USI. The discount rate will be changed from 7.25% to 7.00% and will change the fund's mortality table from the 1994 table to the "PUB-2010" table, seconded by Trustee Perez. There was no further discussion. Motion passed unanimously.

Adjournment

There being no further business to discuss and upon motion made by Trustee Magliocco and seconded by Trustee Allen the Trumbull Police Pension Board adjourned by unanimous consent at 3:46 p.m.

Respectfully Submitted,

Vivian Munoz
Clerk of the Commission