

**ESSEX RETIREMENT BOARD
Regular Meeting
August 12, 2014
Meeting Room B**

Present

Retirement Board Members: Carl Ellison, Ethan Goller, Fred Vollono, Ellen Whaley-Wexler.

Others Present

Arthur Meizner, Hooker & Holcombe
Betsy McLaughlin, Retirement Board Clerk
Kelly Sterner, Finance Director

Paul Musarra, Investment Portfolio Strategist, Bank of America
Joanne Phelan, VP; Relationship Manager, Bank of America

Ellen Whaley-Wexler called the meeting to order at 5:08 p.m.

Review/Approval of Prior Minutes

A motion was made by Ethan Goller to approve the Retirement Commission June 30, 2014 special meeting minutes. Carl Ellison seconded the motion, it was unanimously approved. Motion carried.

Since a quorum from the Work Group was present, the August 4, 2014 Work Group meeting minutes were also reviewed.

A motion was made by Ethan Goller to approve the August 4, 2014 Work Group meeting minutes. Kelly Sterner seconded the motion, it was unanimously approved. Motion carried.

Review/Approval of Bills

Kelly Sterner presented the following invoices for payment: three from The Pension Service, Inc. for the merit, police and town quarterly administrative charges in the total amount of \$2,201.00; one from The Pension Service, Inc. for a Town Plan retirement calculation in the amount of \$200; and two from Robinson & Cole in the total amount of \$2,079.00 for legal services provided in connection with the RFP assistance and finalization of issues.

A motion was made by Ethan Goller to approve The Pension Service, Inc. quarterly administrative invoices. Carl Ellison seconded the motion, it was unanimously approved. Motion carried.

A motion was made by Ethan Goller to approve The Pension Service, Inc. invoice for a Town Plan retirement calculation. Carl Ellison seconded the motion, it was unanimously approved. Motion carried.

A motion was made by Carl Ellison to approve the Robinson & Cole invoices. Ethan Goller seconded the motion, it was unanimously approved. Motion carried.

RFP Working Group Update and Vendor Overview

Hooker & Holcombe has been selected as the new vendor. Arthur Meizner was introduced as a representative from Hooker & Holcombe on the investment side who will be working with the Town. He provided an overview of his background and experience, how Hooker & Holcombe works as a team, and his approach to working with clients. He typically tries to meet with clients every three months.

Next steps in the transition process were discussed including contract finalization, review and signing, and the transition date.

A motion was made by Carl Ellison to initiate discussion with Attorney Bruce Barth to engage him to do the contract work for the Commission. Ethan Goller seconded the motion, it was unanimously approved. Motion carried.

Retirement Commission Member Fred Vollono joined the meeting at 5:14 p.m.

The original transition date of October 1, 2014 was discussed. There was general consensus that the Board would need to ask Bank of America for an extension beyond that date given where we are currently with our timetable.

The contracts that Attorney Barth will need and some of the language that needs clarification were discussed, including issues related to liability and termination of contract.

Ellen Whaley-Wexler also presented a number of items that were discussed during the presentation for inclusion in the final contract, including the Retirement Income Analysis Service for retiree income projections, annual retirement advice for employees and the web tool.

Kelly Sterner raised the question as to who would be doing the valuation for this year, Hooker & Holcombe or TPS. Art will get back to Kelly on that issue.

Ellen Whaley-Wexler provided Art with a copy of our Investment Plan Strategy.

Communication and timing for announcing the change in vendor to Town employees was also discussed. Art will draft a communication for this purpose and it was recommended that we wait until the contracts are signed before making an announcement.

Ellen Whaley-Wexler also asked that she and Kelly Sterner be walked thru a live demo of the web-based program, Pension Edge Plus, before signing the contract.

There was discussion as to whether we need a resolution to designate someone to sign the contract. Ellen Whaley-Wexler will consult with Attorney Barth on this matter, and Joanne Phelan, Bank of America, will provide a copy of what they have on file with regard to this.

Art Meizner, Hooker & Holcombe, and Joanne Phelan, Bank of America, will be the key point people for coordinating the transition. Robin Lane, a conversion specialist from Hooker & Holcombe, will also be working with them.

The status of the Retirement Commission Work Group and timing for dissolving it was discussed.

A motion was made by Ethan Goller to continue the Work Group through the contract phase. Carl Ellison seconded the motion, it was unanimously approved. Motion carried.

A motion was made by Ethan Goller that the Work Group have authority to finalize the contract based on whatever additional advice we receive from Attorneys Barth and Royston. Carl Ellison seconded the motion, it was unanimously approved. Motion carried. Ellen Whaley-Wexler will keep everyone informed of the next key dates for this process.

Art stated that he could have the contracts completed by tomorrow. There was discussion about the discretion language in the contract that exists and how this would impact the Commission in terms of meetings needed for decision making. This is not how the Commission has operated in the past and has been raised as a concern given the fact that they have no fiduciary liability coverage for Commissions members. This needs further discussion.

Bank of America: Results Update

Ellen Whaley-Wexler provided Joanne Phelan with an update on the status of new vendor selection and that we are now thinking of a November 1 transition date or later. She also asked if the fee agreement with Bank of America could be extended beyond October 13, 2014 and kept at the existing rate.

Joanne Phelan agreed to keep the rate where it is and confirm that in writing. Hooker & Holcombe and Bank of America will work together to determine the best date for transition. It may make sense for simplicity sake to set the transition date for January 1, 2015.

Paul Musarra, Bank of America joined the meeting at 5:55 p.m. He provided everyone with an Investment Portfolio Review dated August 12, 2014, which shows performance and asset allocations as of June 30, 2014. He reviewed the Investment Policy Statement and noted that we are seeing more subdued return expectations for 2014.

Bank of America will provide another quarterly review through September 30, 2014, and Joanne Phelan will update and initial the fee schedule reflecting there will be no change in fee.

A motion was made by Ethan Goller to adjourn the meeting at 6:27 p.m. Carl Ellison seconded the motion, it was unanimously approved. Motion carried.

Respectfully submitted,

Betsy McLaughlin
Retirement Board Clerk