

ESSEX RETIREMENT BOARD
Regular Meeting
October 14, 2014
Meeting Room B

Present

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

Others Present

Betsy McLaughlin, Retirement Board Clerk
Kelly Sterner, Finance Director

Stuart Herskowitz, Senior Vice President, Client Relations, Hooker & Holcombe
Arthur Meizner, Director, Investment Consulting Services, Hooker & Holcombe

Ellen Whaley-Wexler called the meeting to order at 5:06 p.m.

The agenda was rearranged to discuss the fiduciary liability coverage update and ERB webpage before the Investment Advisor Agreement/Custodial Services Agreement.

Review/Approval of Prior Minutes

A motion was made by Ethan Goller to approve the minutes of the September 9, 2014 regular Board meeting. Carl Ellison seconded the motion, it was unanimously approved. Motion carried.

Review/Approval of Bills

None.

Fiduciary Liability Coverage Update

Kelly Sterner noted that an application for fiduciary liability coverage is being put together for CIRMA. She also spoke with Thompson & Peck and they are sending an application for completion as well. CIRMA will get a quote from Travelers, and Thompson & Peck will get pricing from a couple of other insurance companies. At the last meeting we talked about asking for quotes based on 1 Million, 2 Million, 5 Million and 10 Million dollar coverage. We have since learned that we can't be insured for punitive damages so there is no point in pursuing the 5 and 10 Million dollar coverage. We should have pricing for the next meeting.

ERB Webpage

Ellen Whaley-Wexler informed the Board members that because we have so many documents to share and review, the Retirement Board will have a members only web page on the Town website. All the documents will be posted on the website and each Board member will have their own access to the web page. Members will be notified by email alert when a new document is posted. Everyone needs to confirm with Ellen what e-mail address to use for the email alert notifications.

Other Administrative Business

Ellen noted that a meeting schedule for 2015 needs to be submitted by December 1, 2014. She suggested still having the meetings on the second Tuesday of the month but also suggested moving to an every-other-month meeting schedule.

A motion was made by Ethan Goller to file with the Town clerk a meeting schedule for 2015 that reflects meetings on the second Tuesday of the month. Carl Ellison seconded the motion, it was unanimously approved. Motion carried.

A calendar will be put together on that basis. If there is a conflict with a Town holiday, the meeting in conflict will be moved forward or back a week. The odd or even calendar months will be decided at the December meeting and the meeting schedule revised accordingly.

Ellen also suggested collapsing the November and December 2014 meetings into one meeting.

A motion was made by Carl Ellison to cancel the November and December 2014 meetings and reschedule those meetings to one meeting on December 2, 2014. Ethan Goller seconded the motion, it was unanimously approved. Motion carried.

Investment Advisor Agreement/Custodial Services Agreement

Stuart Herskowitz, Hooker & Holcombe, presented a detailed transition timeline for getting the information over to the investment advisors and a transition timeline for getting the web portal up and running.

Stuart Herskowitz and Arthur Meizner met with some of the Board members today prior to this meeting to talk thru the steps to transition the investments over to Schwab and to get the actuarial work and all the administrative things that need to happen up and running. The goal is to have everything ready by mid December so that Bank of America will be ready to wire the money to Charles Schwab and to get pension payments set up for January 1, 2015.

There is also some GASB reporting that is required by year end which will be another area of focus. TPS also needs to forward all of the historical census data to Hooker & Holcombe so that they can prepare the necessary disclosures for the audited financial statements. Kelly Sterner will make the auditors aware of the change in actuaries and a possible delay in the completion of the disclosures, and she will file for an extension with the State in the event this is not completed by TPS on time.

Mr. Meizner reviewed the Investment Policy Statement & Proposed Portfolio dated October 14, 2014, with the Board. He reviewed the proposed asset allocations and noted that the portfolio has been designed to keep the return the same and reduce the risk. He also noted that the investment policy statement consists of the standard language with the exception of granting discretionary authority on investments.

Attorney Barth called Ellen Whaley-Wexler at this point in the meeting to discuss the resolutions needed for the transition. He will draft a resolution for appointing Schwab and get it to Kelly Sterner by tomorrow morning so it can be reviewed at the Board of Selectmen's meeting on October 15, 2014.

A motion was made by Carl Ellison to move a resolution to the Board of Selectmen to appoint Schwab as custodian. Ethan Goller seconded the motion, it was unanimously approved. Motion carried.

A motion was made by Carl Ellison to delegate responsibility to Ellen Whaley-Wexler and Kelly Sterner to finalize and sign the contract for moving forward with the HHIA agreement. Ethan Goller seconded the motion, it was unanimously approved. Motion carried.

The Investment Policy Statement, Town of Essex Allocation, Appendix B, Page 13 was reviewed and discussed.

A motion was made by Ethan Goller to accept the tactical allocations presented in Appendix B, Page 13 of the Investment Policy Statement and Proposed Portfolio. Carl Ellison seconded the motion, it was unanimously approved. Motion carried.

A resolution is needed to adopt the Investment Policy Statement. We will wait until the December meeting to adopt the Investment Policy Statement once everyone has had a chance to review it.

Executive Session

None.

Other

LOSAP was not on the agenda for this meeting and will be reviewed and discussed at the next meeting.

Kelly Sterner asked for direction on when to make the annual contribution by the Town; before or after the transition. It was decided to make the contribution to Bank of America before the transition.

A motion was made by Ethan Goller to adjourn the meeting at 6:04 p.m. Carl Ellison seconded the motion, it was unanimously approved. Motion carried.

Respectfully submitted,

Betsy McLaughlin
Retirement Board Clerk