

**THESE MINUTES ARE SUBJECT TO BOARD APPROVAL AT THE NEXT
ESSEX RETIREMENT BOARD REGULAR MEETING
TUESDAY, FEBRUARY 12, 2013**

The Essex Retirement Board Regular Meeting was held jointly with a Special Meeting of the Essex Board of Selectmen on Tuesday, February 12, 2013 at 5:00pm. In attendance were Chairman Ellen Whaley-Wexler, Carl Ellison, Jim Francis, Ethan Goller(5:08Arrival) and Stacia Libby. Board of Selectmen Attendees: Norm Needleman, Joel Marzi and Stacia Libby. Also in attendance were Kelley Frazier, Secretary to the Board and Kelly Sterner, Finance Director. Absent:

CALL TO ORDER

The meeting was called to order by Ms. Whaley-Wexler at 5:07pm.

Mr. Needleman called the Board of Selectmen to order at 5:07pm.

Ms. Wexler asked that a discussion regarding an Employee Request be added to the agenda.

APPROVAL OF AGENDA

Upon a motion made by Mr. Goller and seconded by Mr. Ellison the Board approved the agenda.

APPROVAL OF PREVIOUS MEETING MINUTES

Upon a motion made by Mr. Goller and seconded by Mr. Francis the Board approved the minutes from the December 2012 meeting as amended.

REVIEW/APPROVAL OF ADMINISTRATIVE ITEMS

Upon a motion made by Mr. Goller and seconded by Ms. Libby the Board unanimously **VOTED** to recommend payment to Robinson and Cole and the quarterly bill from the actuary. This backup documentation will be sent to members via email.

Ms. Wexler discussed the website with Mr. Audet. She noted that retirement plan documents will be online. The Board would like to have any questions referred to the Town Hall. It was suggested that we have a standard response for frequently asked questions. Ms. Wexler would like the Board to work on creating an information portal for retirement participants.

Ms. Wexler discussed an employee request. There is a discrepancy in the years of service that needs to be investigated. Ms. Sterner will discuss with Mr. Poland so research can be done.

DISCUSSION: ACTUARIAL REPORT RE: 2013 PENSION PLAN CONTRIBUTION FOR BUDGET

Mr. Jeff Poland was not present.

Ms. Wexler discussed the 2013-14 budget process. The Retirement Board and the Board of Selectmen discussed in detail what the rate of return for calculating the annual required contribution should be. Discussion ensued as to the scenario with 7%, 7.5% and 8%. Ms. Sterner stated that Avon is using 7.75%. The Town should consider doing the shortest catch up period for the amortization of the unfunded liability. Mr. Needleman wants the Town to meet the obligations to the employees in a responsible way. He questioned whether the calculations provided by the actuary included the new retirees who recently began collecting and the multiplier adjustment to the Fireman's plan.

Mr. Goller noted that we need to have a model that will allow the town to meet its financial obligations without too much risk. He would like to continue our aggressive approach of using the annual required contribution that reflects the shorter amortization period for the unfunded liability and still meet our obligations.

Mr. Ellison agrees that we should be as aggressive as possible but the final decision will be made by the Board of Selectmen.

Ms. Libby said that she agrees with Mr. Goller that the calculation should be somewhere in the middle of what was presented.

Mr. Francis would like more information. Mr. Needleman asked Ms. Sterner to work with the actuary to prepare the calculation that shows us maintaining the accelerated catch up and what the anticipated contributions would be beyond the completion of the amortization period. He noted that when you are fully funded the required contribution drops significantly.

Mr. Marzi asked what the return was if we were shifting to a defined contribution plan. Mr. Needleman would like to have a defined contribution for new employees. Mr. Marzi would like to see what happens with the state funding.

Mr. Francis noted that bigger payments are made when you go from defined benefits to defined contribution. A decision will have to be made regarding transitions.

Ms. Wexler will be away from February 26th until March 8th. The agenda will come out next week for our next meeting.

ADJOURNMENT

On a motion duly made and seconded, the Essex Retirement Board and the Essex Board of Selectmen unanimously **VOTED** to adjourn at 5:45pm.

Respectfully Submitted,

Kelley S. Frazier
Retirement Board Clerk
Substitute Board of Selectmen Clerk