

ESSEX RETIREMENT BOARD
Regular Meeting
September 9, 2014
Meeting Room B

Present

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

Others Present

Betsy McLaughlin, Retirement Board Clerk
Kelly Sterner, Finance Director

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 August 12, 2014 meeting minutes. Carl Ellison seconded the motion, it was unanimously approved. Motion carried.

Retirement Commission Member Stacia Libby joined the meeting at 5:07 p.m., followed by Member Fred Vollono at 5:08 p.m.

Review/Approval of Bills

None.

The agenda was rearranged to discuss the RFP Working Group update next.

RFP Working Group Update: Vendor Contract Status/Review/Approvals

All of the changes to the actuarial engagement letter discussed at the last Work Group meeting have been submitted to Hooker & Holcombe and we are waiting to hear back from them. Kelly Sterner and Ellen Whaley-Wexler will follow up with them this week. Ellen noted that in addition to the changes discussed at the last meeting, they have also asked Hooker & Holcombe to attach a timetable to the engagement letter.

The language in the SCHWAB contract referring to an ERISA plan was discussed. The language needs to be clear that this is non-ERISA plan, and SCHWAB seems okay with that. Also, the SCHWAB contract refers to a custodial agreement, and the original plan agreements are all written with the banks as trustee agreements. An opinion is needed as to whether the custodial agreement is sufficient.

Ellen also noted that Hooker and Holcombe have asked if we would consider the consolidation of the separate accounts (Town, Police, and Merit). Ellen has reviewed the plans, each of which operates slightly differently in terms of benefit awards and administration. This needs to be reviewed and discussed further.

Fiduciary Liability Coverage Update

The Retirement Board is pursuing a quote from Travelers for a fiduciary liability policy. Each Board member, Kelly Sterner as a functional fiduciary, and the First Selectman as the appointing fiduciary will be named individually on the schedule.

Members were given some information on fiduciary liability coverage and fiduciary risks and responsibilities for review.

Liability limits were discussed, and it was decided to ask for quotes based on 1 Million, 5 Million, and 10 Million dollar coverage.

A motion was made by Carl Ellison to approve going ahead and getting a quote for fiduciary liability coverage on that basis. Fred Vollono seconded the motion, it was unanimously approved. Motion carried.

Investment Advisor Agreement: Discretionary vs. Non-Discretionary

The issue of whether to have Hooker and Holcombe act as discretionary vs. non-discretionary investment advisor to the Board was discussed.

A motion was made by Ethan Goller that we have the language changed in the Hooker & Holcombe agreement to reflect that they have full discretion. Carl Ellison seconded the motion, it was unanimously approved. Motion carried.

Executive Session

None.

Ellen Whaley-Wexler raised potential issues regarding LOSAP and gave everyone some guidelines for LOSAP Point System Records for review and discussion at the next meeting.

Members were also asked to review the materials on fiduciary liability and their respective roles as fiduciaries.

A motion was made by Ethan Goller to adjourn the meeting at 5:58 p.m. Carl Ellison seconded the motion, it was unanimously approved. Motion carried.

Respectfully submitted,

Betsy McLaughlin
Retirement Board Clerk