

TOWN OF ESSEX
ESSEX RETIREMENT BOARD
Regular Meeting
September 10, 2019
Essex Town Hall, Meeting Room B

Present

Retirement Board Members: Ethan Goller, Stacia Libby, Mary-Louise Polo, Ellen Whaley-Wexler.
Absent: Peter Decker

Others Present

Art Meizner, Hooker & Holcombe
Kelly Sterner, Finance Director

Ellen Whaley-Wexler called the meeting to order on Tuesday, September 10, 2019 at 6:04 p.m.

Approval of Agenda

A motion was made by Ellen Whaley-Wexler to amend the Agenda under New Business to be as follows:

To move item "a" - OPEB Trust Document to the top of the list followed by

Items "e" - Portfolio mix discussion,

"f" - Portfolio review - H&H and

"i"- Meeting time Change for rest of year. Followed by b, c, d, g, and h. seconded by Mary-Louise Polo. Passed. Motion carried.

Ellen Whaley-Wexler also added to the Agenda a request that the Retirement Board should recognize Elizabeth McLaughlin who has recently left the Retirement Board as the recording secretary. Ellen would like a letter of recognition and/or thanks sent to her from the Retirement Board as well as others wishing her all the best. Ellen made a motion to work with Kelly Sterner and Norman Needleman in drafting a letter thanking her for her hard work, time, etc. seconded by Mary-Louise Polo. Passed. Motion carried.

Ellen made a motion to change the meeting time to 6:00 p.m. for the Retirement Board meetings for the remainder of year and into 2020. Seconded by Ethan Goller. Passed. Motion carried.

New Business:

- a. **OPEB Trust** – The draft of the OPEB Trust Plan document was presented for comments by Board members. Ellen had a question with regards to Article 6 – Powers of the Town. Kelly indicated that the Plan Administrator role with regard to the OPEB Trust would be different from pension plan. This allows for more day-to-day responsibilities versus the Trustees. Kelly recommended that Article 6.3 - Powers of the Trustee item “e” may need a change to the section regarding certain securities and properties held as part of the trust to be registered in the Plan Administrator “(or Finance Director’s name)”. The retirement board would prefer this clause to be stricken as there is not a situation under which the Plan would deal with this class of assets. Further discussion ensued regarding fiduciary responsibilities, etc. The Ordinance Creating and OPEB Trust was published in the Valley Courier on 8/14/19 and will be incorporated as part of the Trust document.

Motion made by Ellen Whaley-Wexler to approve and recommend to the Board of Selectmen an OPEB Trust plan document with the recommended changes and to approve that the Retirement Board will oversee the OPEB Trust as well as the Trust Document and Ordinance. Seconded by Ethan Goller, Abstained Mary-Louise Polo. Passed. Motion carried.

f. Portfolio Review - Hooker & Holcomb:

Art Meisner of H&H presented the 2019 Second Quarter Review along with recommendations for several changes to the current Portfolio mix for both town plans.

Art reviewed Page 8 of the quarterly review, showing the portfolio was up 13%. His recommendations are on Page 14 along with the current portfolio and the new proposed portfolio. Included are a total of 6 bond funds. Morningstar Analyst Ratings accompanied this report to the Board on these new funds. Ellen inquired about the expense ratios on the recommended replacements and Art indicated they would be about the same going to .44% (to be confirmed). This portfolio is a bit more conservative based on the expected change in trends from past results. He also reviewed Global Trade and Global Tariffs with regards to the continuing trade wars and that they will contribute to ongoing market volatility and muted returns for global markets. Art will return in November to review upcoming quarters results.

Ellen asked if there were any objections to the new recommendations to the portfolio and there were none.

Review/Approval of Prior Minutes

Review and approval of the minutes of the last meeting on March 12, 2019 were tabled to the next meeting.

New Business Continued:

- b. Pension and Supplemental payment - Kelly distributed the FYE Supplemental Appropriations – Ending 6/30/19 as well as an Estimated Pension Plan Funded Status Summary at June 30, 2020. The Board of Selectmen has approved and recommended Board of Finance to make supplemental payments to the Merit Service Pension and Police Pension.
- c. Funding level report was also discussed. This was prepared by the actuary at the First Selectman's request to assess impact to upcoming funding levels and determine what additional funding would be required to get all 3 plans to a 75% funding level.
- d. Schwab statement online access. There was discussion regarding access to the plan statements online by individual Board members. Ellen indicated we should table this for now.
- g. Participant/position move to R4 Supervision District for an employee who previously was a Town of Essex BOE employee. This was discussed in great detail at the March 12; 2019 Retirement Board Meeting. It was determined that an exception should be made for this employee to be vested in the Town of Essex given that he is performing the same duties and the move of the position to Supervision District was beyond his control. Kelly will work with Attorney Barth to have a letter drawn up outlining this exception to be signed by the affected participant. May also require a Plan amendment to authorize such an exception.
- h. Annual Report – Kelly distributed the Retirement Board draft submission for the upcoming Annual Town Report (attached). Kelly asked if anyone has any additions or deletions to the write up to let her know.

Adjournment

A motion was made by Ellen Whaley-Wexler to adjourn the meeting at 7:07 p.m. Ethan Goller seconded the motion. Passed. Motion carried.

Respectfully Submitted,

**Yvonne Roziak
Retirement Board Clerk**

ymr/attachment

Retirement Board

The Essex Retirement Board (ERB) acts as the fiduciary and administrator of the Town's three retirement benefit assets: Town of Essex Retirement Plan, Town of Essex Police Retirement Plan, and the Town of Essex Merit Service Retirement Plan (a LOSAP plan) for Volunteer Firefighters. The role of the ERB is to primarily perform a fiduciary and oversight function over the Town's retirement and merit service plans in order to ensure effective and fair oversight of the plans, their investments, funding, procedures and distribution of benefits to eligible employees and volunteer participants.

The ERB is authorized under terms consistent with the plans; to consist of at least three (3) members but not more than five (5) and members are appointed by the First Selectman for the purpose of administering the Plans. The current Chairperson is F. Ellen Whaley – Wexler, term expiration November 2020. Current at large members are: Ethan Goller, Peter Decker, term expiration November 2021; and Stacia Libby, Mary-Louise Polo, term expiration November 2023.

The ERB meets monthly, generally on the 2nd Tuesday of the month at Town Hall in the early evening. The 2019–2020 annual schedule, agendas and minutes are posted on the Town's website.

The fund balances at the close of the 2018-2019 fiscal year were: \$5,041,663 for the Defined Benefits Retirement Plans for Town Employees and Police, and \$1,129,670 for the Merit Service Retirement Plan for Volunteer Firemen. The Town made contributions to each plan of \$545,666, and \$119,366 respectively during the fiscal year.

Hooker & Holcombe in West Hartford, CT provides investment advisory and actuarial services for the Town plans. Additionally, H&H provides a pension administration portal for eligible employees and Volunteer Firefighters. This interactive portal allows participants to view their current and estimated future plan benefits.

Copies of the Town plans, amendments, investment portfolio, RFP's/proposals, Board minutes, audit and actuarial reports are available to the public for inspection either on the Town website or at the Town of Essex – Finance office upon request.

F. Ellen Whaley-Wexler
Chair