

TOWN OF ESSEX

ESSEX RETIREMENT BOARD Regular Meeting March 10, 2015 Essex Town Hall, Meeting Room A

Present

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

Others Present

Kelly Sterner, Finance Director

Ellen Whaley-Wexler called the meeting to order at 5:00 p.m.

Ellen proposed to change the order of the agenda to discuss the Participant Benefits Request agenda item next.

Attorney Barth was teleconferenced into the meeting at this point to discuss and answer questions with regard to the retirement benefits inquiry received through the Fire Department in July of last year. This was a request for an adjustment in benefits that involved a break in service and needed some research, plan review and supporting documentation. Ellen summarized steps taken since the request was received by the Board and described the calculations made and plan interpretation with regard to this request.

The person making the request had been a Fire Department volunteer from 1965 – 1990, had a break in service from 1990 to 2000 and retired in January 2014. He commenced receiving benefits under the plan in 2011. His pre break in service years were 25 if we accept that he started in 1965, his break in service years were 10, and his post break in service years were 10. Since his pre break in service years are greater than the post break in service years, we can recognize up to a maximum of 15 prior years of credited service. The pre break in service years plus the 10 current service years gets him to 25 years. Furthermore, because he continued service after he commenced benefits until his full retirement in January 2014, we would recognize the additional three years worked in 2011, 2012, and 2013. Since he did continue working, under the terms of the plan we are obligated to recognize those three years but because he commenced receiving benefits while continuing to accrue service points, he is subject to a 10% penalty retroactively to 2011.

With regard to documentation needed for this request, the 2010 ledger at Town Hall on merit service points has a notation showing his pre break in service years, which Attorney Barth thinks the Board can accept as sufficient documentation.

Ellen noted that an administrative record keeping change to the merit service plan needs to be made with regard to this.

In summary, the Board is going to recognize 15 years of service prior to the break in service years plus 10 post break in service years, plus the three additional years for a total of 28 years, and the benefits received from 2011 to date are subject to a 10% adjustment retroactive to 2011. A redetermination of benefits will be done taking these factors into account.

Ethan asked about continuing to count points for anyone who is fully retired independent of the retirement plan so the Fire Department can report back to the Town with regard to the property tax abatement. Ellen thinks the answer to this is yes, and Attorney Barth stated that the property tax is a completely separate animal.

Attorney Barth suggested that we discuss with the Fire Department the need, if there is an effective retirement and the person starts to receive benefits, to wait six months if they want to come back, since six months seems to be the accepted IRS recognition point as to what is considered a true break in service or retirement.

A motion was made by Ethan Goller that we approve the retirement request which was recently recapped with Attorney Barth; that we are going to recognize 15 years prior break in service, 10 years post break in service, and the three additional years after he commenced receiving benefits, for a total of 28 years going forward and that we accept the ledger notation on file at Town Hall on merit service points dated calendar year 2010. Stacia Libby seconded the motion, it was unanimously approved. Motion carried.

A motion was made by Ethan Goller to delegate authority to Ellen and Kelly to prepare a letter to the individual making the request summarizing the Board's decision. Stacia Libby seconded the motion, it was unanimously approved. Motion carried.

Ellen will review the letter with Ethan, Ethan will contact the individual to review the Board's decision with him, and Kelly will provide this information to Hooker & Holcombe so they can make the necessary calculation.

Ellen will prepare a "LOSAT for Dummies" PowerPoint presentation for Attorney Barth's review, and Ethan will determine a date for this to be presented at one of the Fire Department meetings.

Ellen will work with Kelly and Hooker & Holcombe on amended paperwork for the merit service retirement application. This will be ready for the Board's review at the next meeting. The new application will be presented to the Fire Department along with the LOSAT presentation.

Review/Approval of Prior Minutes

A motion was made by Stacia Libby to approve the minutes of the February 10, 2015 regular Board meeting. Ethan Goller seconded the motion, it was unanimously approved. Motion carried.

Review/Approval of Bills

Kelly Sterner presented one invoice for payment from Hooker & Holcombe for actuarial services through February 2015 in the total amount of \$22,050 as follows: (1) \$15,500 for the preparation of biennial pension actuarial valuation reports for the Town's pension plans as of July 1, 2014; (2) \$2,300 for the preparation of the GASB reports for fiscal year ending June 30, 2014; (3) \$4,000 for the preparation of July 1, 2014 benefit statements including interactive and informational website for plan administrators and participants; and (4) \$250 for a retirement benefit calculation for one individual. All will be paid from the retirement plan assets, with the exception of the Pension Edge setup and access in the amount of \$4,000 which will be paid from the General Fund.

A motion was made by Ethan Goller to approve the invoices presented. Stacia Libby seconded the motion, it was unanimously approved. Motion carried.

Update on Rollout of H&H Participants Administrative Services

Kelly Sterner noted that Hooker & Holcombe has been very responsive and helpful. The website looks good, pension valuation statements will be handed out with employee evaluations, and employees will receive a letter providing their credentials to log into the website and access their profiles. Kelly has also received a list of seminar topics that Hooker & Holcombe can provide and has determined that there are four topics of interest to employees. Information sessions will be planned for April.

A motion was made by Ethan Goller to adjourn the meeting at 5:45 p.m. Stacia Libby seconded the motion, it was unanimously approved. Motion carried

Respectfully Submitted,

Betsy McLaughlin
Retirement Board Clerk