

**Disclaimer.** Please note, these Minutes have yet to be approved. Check with the Town Clerk for updated versions.

**ESSEX RETIREMENT BOARD  
REGULAR MEETING  
May 14, 2013  
Meeting Room A**

**Present:** Retirement Board Members: Carl W. Ellison, Ethan Goller, James Francis, Ellen Whaley-Wexler.

Ms. Whaley-Wexler called the meeting to order at 5:01 p.m.

**Others Present:** Finance Director, Kelly Sterner  
Secretary to the Board, Maria Lucarelli sitting in for Kelley S. Frazier

**Approval of Agenda:**

**Motion** was made by James Francis to approve the Agenda with the addition of a Conference Call with whom Jeff Poland of TPS at 5:30 and remove Disability Approval Process Development. Ethan Goller seconded the motion, it was unanimously approved. Motion carried.

**Approval of Minutes:**

**Motion** was made by Ethan Goller to approve the March 12, 2013 Regular Meeting Minutes. James Francis seconded the motion, it was unanimously approved. Motion carried.

**Communications and Correspondence:** None

**Administrative Items - Review of Bills for Payment**

Finance Director Kelly Sterner presented pension related invoices for approval.

**Motion** was made by James Francis to approve and pay the invoices. Carl Ellison seconded the motion, it was unanimously approved. Motion carried.

Mr. Goller questioned an invoice and there was discussion in reference to a discrepancy on the administrative costs.

**Motion** was made by Ellen Whaley-Wexler to amend the Motion and hold one the one invoice until the question was answered. Ethan Goller seconded the motion, it was unanimously approved. Motion carried.

There was a discussion on vendor work that has created repetitive administrative issues and the desire to discuss vendors and their services for the Town, including renewal of contracts in 2014.

**Pension Requests**

Ms. Sterner reported she had two pension requests. One is a former employee who is vested and terminated back in 1995 and will be eligible on August 1, 2013 at the normal retirement age.

**Motion** was made by Ethan Goller to approve the normal retirement application and initiate retirement processing. James Francis seconded the motion, it was unanimously approved. Motion carried.

**Disclaimer.** Please note, these Minutes have yet to be approved. Check with the Town Clerk for updated versions.

The second pension request is from an employee who would like to initiate retirement benefits. The employee has dual employment with the Town and would like to retire from one position and continue to work the second position as a stipend position.

An opinion letter to the Town from Robinson & Cole was reviewed by the Retirement Board. It states that within the Town Plan, Section 1.18 "Retirement" or "Retiree" refers to an Employee's termination of employment with the Town. Robinson and Cole stated if they are employed with the Town in any capacity, they are an employee. As long as an employee is receiving wages, they are considered an employee and have not terminated employment as required under the Plan.

**Motion** was made by James Francis to respond back to employee that the Retirement Board would be required to deny the normal retirement application under the terms of continued employment. Carl Ellison seconded the motion, it was unanimously approved. Motion carried.

### **Actuarial Report Regarding 2013 Pension Plan Contribution for Budget**

At 5:26 p.m. Jeff Poland joined the Retirement Board by conference call to discuss the actuarial reports prepared for the Town's fiscal year ending June 30, 2014. Ms. Whaley-Wexler requested the following changes be made on the report before the Retirement Board would accept:

1. To include on the cover page of the report information stating who prepared the report and the date prepared.
2. On page 1 in the report, reduced the 8% to 7.5% - need footnote
3. On page 5 in the report, the actual gain or loss on June 30, 2012 shows an 8% interest rate – need footnote
4. There was discussion in reference to page 12 to adding under definitions to define interest.

Mr. Poland agreed to make these changes.

Ms. Sterner reported that \$330,281 was budgeted by the Town for employee benefits contribution for fiscal year 2013-2014.

**Motion** was made by Ethan Goller to accept the actuarial report with the amendments. James Francis seconded the motion, it was unanimously approved. Motion carried.

At 5:30 p.m. Attorney Bruce Barth joined the Retirement Board by conference call.

### **2012 QDRO Request – Next Steps**

Ms. Whaley-Wexler discussed a Qualified Domestic Relations Order (QDRO) request that was received by the Retirement Board. There was discussion on rules and reference was made to Sections 9.4 and 10.4 in the Town and Police pension plans respectively. The Municipal Pension Plans are not governed by ERISA rules. There was discussion on how the Town should proceed. There are standard procedures that would be required and the Town currently does not have any policy or procedures in this area:

1. The board has to choose whether it will recognize DROs

**Disclaimer.** Please note, these Minutes have yet to be approved. Check with the Town Clerk for updated versions.

2. Make sure the DRO complies with rules 414P governmental entities, a provision that must be in a QDRO to be compliant.
3. Confirm that the amount that is being paid doesn't increase your actuarial cost to the plan.
4. Recognizing the additional administration and cost to review DRO's and administration.
5. Do you have to amend the plan? Attorney Barth said no. Sections 9.4 and 10.4 are sufficient.
6. We need to state the Town Retirement Board would not incur additional administrative costs for DRO's.
7. If the Town, in the future, chooses to recognize DRO's, then consideration should begin to review all plans and required policy, processes and costs.

There was discussion on fees involved with the additional administrative aspect of the DRO, plus the TPA charge, and the lawyer's fees. These fees should be paid by the participant.

**Motion** was made by Ethan Goller to not recognize DROs within the Town of Essex Police Retirement Plan as received from the alternate payee in October, 2012. James Francis seconded the motion, it was unanimously approved. Motion carried.

The Board Chair will prepare a response to the Alternate Payee.

#### **Bank of America Pension Investment Fund Recommendation Follow-up**

Ms. Whaley-Wexler reported she had communicated with the Bank of America. The Bank at the last Board meeting presented a proposal to change the portfolio. Their recommendations are more diversified and involved a greater number of investments. Currently, the Town's pension funds are in Columbia Investments and the Town pays out approximately \$30,000 per year in fees. The bank came back with a proposal that would feather in an increase in fees over a 2 year period. The bank is waiting for a response from the Town. Ethan Goller commented that he had reviewed the fees and he suggested that the fees were reasonable.

**Motion** was made by James Francis to accept the Bank of America's proposed changes and the proposed rate adjustment for years one and two. Ethan Goller seconded the motion, it was unanimously approved. Motion carried.

**Motion** was made by Ellen Whaley-Wexler amend the Motion and to accept and commit to year one and to review year two. Carl Ellison seconded the motion, it was unanimously approved. Motion carried.

There was further discussion on the possibility of going out to bid for a new pension trust administrator to oversee the Town's pension plan funds in 2014.

#### **Cancel or Change Date: June 11, 2013 Regular Meeting**

**Motion** was made by Ellen Whaley-Wexler to cancel the June 11, 2013 Retirement Board meeting. The members who were present indicated multiple conflicts and it was determined that no quorum would be available in June. Carl Ellison seconded the motion, it was unanimously approved. Motion carried.

**Motion** was made by Ethan Goller to adjourn the meeting at 6:18 p.m. James Francis seconded the motion, it was unanimously approved. Motion carried.

Respectfully submitted,  
Maria P. Lucarelli

*Essex Retirement Board May 14, 2013*

*3 of 3*