

**ESSEX RETIREMENT BOARD
REGULAR MEETING
December 10, 2013
Meeting Room A**

Present

Retirement Board Members: Ethan Goller, Ellen Whaley-Wexler.

Others Present

**Kelly Sterner, Finance Director
Betsy McLaughlin, Retirement Board Clerk**

**Joanne Phelan, VP; Relationship Manager, Bank of America
Paul Musarra, Investment Portfolio Strategist, Bank of America**

Ms. Whaley Wexler called the meeting to order at 5:19 p.m. and the Bank of America representatives present were introduced.

Approval of Agenda

The Approval of Agenda; Review/Approval of Prior Minutes; 2014 Budget Planning – Actuarial Assumptions; and Discussion of 2014 Board Administration Planning – areas of focus, were suspended due to the lack of a quorum. A special meeting will be scheduled to discuss these agenda items. There were no administrative items/bills for payment.

Kelly Sterner distributed copies of a memo prepared for Jeff Poland with regard to the 2014 budget planning – actuarial assumptions, which will now be discussed at the special meeting to be scheduled. We will need to have the budget assumptions by the end of January.

Discussion: Bank of America Investment Plan and Fee Agreement

Ellen Whaley-Wexley introduced Joanne Phelan and Paul Musarra, our new contacts from Bank of America. They were at the meeting to give the Board members an opportunity to meet them since the Town's former relationship manager with Bank of America has retired, and also to give members an opportunity to ask questions about their fee proposal and the portfolio. Since the last meeting, Kelly Sterner and Ellen have reviewed the documents with Joanne and have determined that they appropriately reflect the terms agreed to in the summer and that the fees will be increased in accordance with what we agreed to at that time and will be effective December 1, 2013.

The Board expressed the need given its fiduciary responsibility to have a discussion with Bank of America if at any point we are looking at a larger expense ratio than expected. Kelly Sterner will be the point person for Bank of America whenever there is something we need to be apprised of.

Board members were given the December 10, 2013 Investment Portfolio Review provided by Bank of America. Paul and Joanne reviewed the details of the Investment Portfolio which they described as very well diversified and positioned to provide greater opportunities in

good times and possible risks in down times as contrasted with the old plan which was low risk and little opportunity.

Paul noted that the "Total Portfolio - Net of Fees" includes actuarial and legal fees. He also stated that the new lineup is a little more fitting for the times and will be revisited annually. He indicated that some trades will be done this month and all should be completed by February 2014.

Since Ellen was given authority by the Board at the October 8, 2013 meeting to sign the Bank of America documents and everything is now viewed to be in order, she signed the following documents: (1) Acceptance of Proposed Portfolio; (2) the Investment Policy Statement, and (3) the Proposed Portfolio of Alternatives. Bank of America will keep Copy 1 of each document, Kelly Sterner will keep Copy 2 of each document, and Joanne Phelan will scan and e-mail signed copies of the documents back to Kelly.

Ellen asked Bank of America for an update on the portfolio with December performance figures for the Board's January meeting.

Ellen closed the meeting at 6:10 p.m.

The Board then set a tentative date of January 2, 2013, at 5:00 p.m. for a special meeting to review the agenda items that were suspended due to lack of quorum. This date will be confirmed.

Respectfully submitted,

**Betsy McLaughlin
Retirement Board Clerk**