

**TOWN OF ESSEX**  
**ESSEX RETIREMENT BOARD MINUTES**  
**Regular Meeting**

**Tuesday, November 15, 2022 – Meeting Room B/ZOOM – 5:00 p.m.**

**Present**

Board Members: Peter Decker (Chair), Stacia Libby, Robert Parkerson, Mary-Louise Polo, Kelly Sterner

**Others Present**

Tracey Celentano, Finance Director

Peter Decker called the meeting to order on Tuesday, November 15, 2022, at 5:00 p.m.

**Approval of the Agenda:**

*Stacia Libby made a motion to approve the agenda, seconded by Robert Parkerson. Motion passed.*

**Approval of Minutes from October 13, 2022:**

*Kelly Sterner made a motion to approve the minutes of October 13<sup>th</sup>, seconded by Robert Parkerson. Motion passed.*

**New Business:**

**a. Proxy Voting Procedures**

Peter Decker stated that the Proxy Voting Guidelines need to be reviewed and voted on annually. It was determined that Tracey Celentano will get feedback from lawyer Bruce Barth, who is very knowledgeable about municipal pension law. Tracey Celentano will ask Bruce Barth if most municipalities vote on proxies and if so, do we need guidelines. Peter Decker will then meet with First Selectman, Norman Needleman.

*Stacia Libby made a motion to have Proxy Voting Guidelines reviewed by Bruce Brath, seconded by Kelly Sterner. Motion passed.*

**b. Valuation Report Update & Discount Percentage**

Tracey Celentano presented on the Actuarial Valuation Reports for the three Town retirement plans. The Valuation reports show that the funded ratio is higher than the GASB 67/68 disclosures as they reflect a 5-year asset smoothing (actuarial value) while GASB mandates market value. Hooker & Holcombe recommended lowering the discount rate from 7.00% to 6.75% or lower. Norman agreed to lower the discount rate to 6.75%. Most municipalities are 6.75% or lower. Actuarial Valuation Funded Ratios with a 6.75% discount rate are as follows: Town Plan (85.3%), Police Plan (84.7%) and Merit Service Plan (92%).

**Old Business:**

**a. Investment Policy Review**

Peter Decker addressed the necessary changes in Hooker & Holcombe's Investment Policy for the Town. There was general discussion about several aspects of the policy: the rate of return, return expectations, time horizon, market cycle, strategic asset location, how fees are reported, benchmarks, and weight of return, to name a few. Peter Decker will work with Hooker & Holcombe to make the revisions. Kelly Sterner stated that we need to have a signed Investment Policy and make a motion to approve the policy.

**b. Manager Discretion Research**

There was general discussion about "discretion" and who can change who has the discretion. The board agreed to review the plan documents and the Trust agreement. Tracey Celentano said he will research this and contact Bruce Barth to ask if we can change our plans from non-discretionary to discretionary.

**Adjournment:**

***Stacia Libby made a motion to adjourn at 5:50 p.m. seconded by Kelly Sterner. Motion passed.***

Respectfully submitted,

Alyson Finnegan