

TOWN OF ESSEX

ESSEX RETIREMENT BOARD MINUTES

Regular Meeting

Tuesday, September 13, 2022 – Meeting Room A/ZOOM – 5:00 p.m.

**Present**

Retirement Board Members: Peter Decker, Robert Parkerson, Mary Louise Polo

**Others Present**

Tracey Celentano, Finance Director

Peter Decker called the meeting to order on Tuesday, September 13, 2022, at 5:02 p.m.

**Approval of the Agenda:**

*Peter Decker made a motion to approve the agenda, seconded by Mary Louise Polo, with the following amendment: To add 4d. Review the GASB 67/68 financial reporting disclosure reports as of June 30, 2022 for the 3 pension plans. Motion passed.*

**Approval of Minutes from July 12, 2022:**

*Robert Parkerson made a motion to approve the minutes of July 12<sup>th</sup>, seconded by Mary Louise Polo. Motion passed.*

**New Business:**

- a. Application to Initiate Benefits

Tracey Celentano requested that an eligible applicant be permitted to initiate retirement benefits by November 1, 2022. The applicant was a full-time employee at the Town Hall from June 1995 - June 2000.

*Mary Louise made a motion that the Retirement Board, based on the Town's Finance Director's review, accept the application, seconded by Robert Parkerson. Motion passed.*

- b. Review and approve the Charles Schwab invoice.

*Robert Parkerson made a motion to approve the invoice as presented, seconded by Mary Louise Polo. Motion passed.*

**c. Review Investment Policies and Objectives**

Mr. Decker reviewed Hooker & Holcombe’s Investment Policies and Objectives. Mr. Decker stated that Hooker & Holcombe is managing the plans within specific parameters, but the Town of Essex is the fiduciary of the retirement plan, which means we (the Town) are responsible. Mr. Decker is concerned that this is not the actual investment policy statement; it is only a proposal. Mr. Decker would like to go back to Hooker & Holcombe and ask to revisit the Policy Statement that they have on file as the Town would like to review it to ensure that the objectives are still in line and the expectations are the same. Mr. Decker would also like to track down the documents from the date we hired Hooker & Holcombe (October 2014), review the minutes from when we hired them and see if we voted on the investment objectives. There was general discussion about that process of hiring a new retirement plan manager and how payments are issued to the retirees. Mr. Decker stated, regarding a new policy, that we would like to clarify the language of granting discretion, know what our asset allocation is, what we are paying in fees, and what is the identification of the plan. Once Hooker & Holcombe gives us our investment policy, the board will review, approve, and submit.

There was general discussion about the next meeting and how we may not have quorum. The next meeting is Thursday, October 13.

**d. Review the GASB 67/68 reports**

There was general discussion about the GASB reports for the Town plans. Tracey Celentano stated that the valuation disclosures are done every other year. Ms. Celentano asked the Board to review the line item in each report: plan fiduciary net percentage, or “how funded are we.” The last time we reviewed the GASB reports was October 2021 (reports ended June 2021). Peter Decker stated that withdrawals and with the market dropping, erodes the fund. There was a question as to whether or not the Board has been giving the reports to the Board of Finance (BOF). Mary Louise Polo doesn’t think she’s seen the GASB reports during the BOF meetings but recalls that Norm would mention them. Campbell Hudson, BOF chairman, should get a copy of the GASB reports. Mary-Louise, as a BOF member, will bring a summary of the funding levels to the upcoming BOF meeting.

There was general discussion about the overreliance by Hooker & Holcombe on Morningstar. We would like to better understand the investment selection process.

**Adjournment:**

***Robert Parkerson made a motion to adjourn at 6:08 p.m. seconded by Mary Louise polo. Motion passed.***

Respectfully submitted,

Alyson Finnegan