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## **Pension board regains trust**

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The state has decided to take the training wheels off the formerly scandal-plagued Essex Regional Retirement Board.

Joseph Connarton, executive director of the state's Public Employee Retirement Administration Commission, wrote to the board's executive director, Charles Kostro, this week to announce that the commission is ending its special monitoring of the retirement board.

The team of monitors — a lawyer, an auditor and an accountant — has been overseeing the board since a scathing audit of its operations was released in March 2010.

"While there is still some work that needs to be done to put ERRS back in full conformity with PERAC standards, tremendous progress has been made, and ERRS has resolved many of its deficiencies under your leadership," Connarton wrote after a follow-up audit.

In 2010, while the retirement board was being run by former director Timothy Bassett, a state audit cited 23 deficiencies in its operation, including poor record keeping and repeated violations of the Open Meeting Law. It capped several years of controversy over everything from lavish expense accounts for Bassett and other board members to hundreds of thousands of dollars spent on legal fees and consultants, without benefit of public bidding or written contracts.

Bassett's own compensation, \$134,250, one of the highest in the state, had risen 52 percent over six years, on top of a \$44,000-a-year state retirement pension that he was permitted by the Legislature to keep receiving while he worked. The board's repeated efforts to increase retirement benefits for public employees, while refusing access to public records, eventually led to a revolt among city and town officials whose communities were members of the system.

Bassett was fired shortly after the March 2010 audit was released, and the state Legislature has since passed a reform bill to overhaul it.

The retirement board — now known as the Essex Regional Retirement System — serves 19 towns, six regional schools, 17 housing authorities and six special districts, while providing for roughly 5,000 members.

Since the changing of the guard, a number of reforms have been instituted under the direction of Chairman Andrew Maylor, Swampscott's town administrator, who took the reins until a new executive director could be hired, and Kostro, who was hired as the new executive director in March 2011.

The Open Meeting Law is obeyed, expenditures are tracked and reported, public bidding laws are followed, and the budget was reduced from \$1.35 million in 2010 to \$1.13 million in 2011, Kostro said. Reforms like an end to paid vacation days for employee birthdays are credited with helping to bring about the reduction. The board has also eliminated part-time positions that had been given to retired former employees, who were being paid nearly \$28.81 an hour to do filing and data entry.

"It needed to be fixed, and it needed to be fixed from Day 1," Maylor said in an interview.

He acknowledged the damage that can be done when a public institution falls into disrepute with the people it is meant to represent.

"When you lose that public trust, you don't often ... get a second chance," he said.

Saluting those who helped solve the problems, Maylor named the press, and in particular The Salem News coverage, along with the efforts of two current board members, Middleton Town Administrator Ira Singer and Ipswich treasurer Kevin Merz, as well as former Boxford Town Administrator Alan Benson and Ipswich Town Manager Robert Markel.

More needs to be done, Maylor said.

"We're doing great, but I don't want to lose focus," he said.

Nonetheless, he said, the turnaround in Essex County could "become an example of how retirement boards should operate. ... I hope we'll become a role model."