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COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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July 14, 2010

Andrew Maylor  
Chair  
Essex Regional Retirement Board  
491 Maple Street, Suite 202  
Danvers, MA 01923-4025

Dear Mr. Maylor:

This letter concerns Chapter 131 of the Acts of 2010 (“Act”), effective July 1, 2010, and its impact on the Essex Regional Retirement Board (“ERRB”). There are major changes regarding the members of ERRB and the function of ERRB, as mandated by that statute.

The current members of ERRB are to operate the retirement system in an efficient manner until the new first, second, third and fourth members are in place pursuant to Section 127<sup>1</sup> of the Act. Current members are not prevented from becoming members of the new ERRB assuming all other requirements outlined are met. Please refer to Section 33, which lays out the requirements for electing each ERRB member.

Regarding the first member, ERRB is responsible for mailing a ballot to all the chief executives or chief administrative officers of member units to vote for the new first member, as outlined. The first member will be elected by a weighted vote of the member units. The weighted vote will be computed based on the percentage of members of the retirement system who are employed by each member town, unit, or district relative to the total number of members of the retirement system. The term for the first member shall be three years.

Regarding the second member, Kevin Mertz, who is also the chair of the Essex Regional Retirement Board Advisory Counsel (“ERRBAC”), is responsible for calling an election and posting notice of such election for the second member who will serve as the representative of ERRBAC. The second member will be voted by a majority of those present and voting at the public meeting of the ERRBAC. At this meeting, ERRBAC must also appoint a chair of ERRBAC. The Act does not prevent the chair from also being the second member. The notice for the election of the second member must also include the election of the chair of ERRBAC. The term for the second member shall be three years.

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<sup>1</sup> Notwithstanding any general or special law to the contrary, section 112 shall take effect upon the Essex regional retirement board under subsection (b) of section 19A of chapter 34B of the General Laws and the Essex regional retirement board advisory council under subsection (h) of said section 19A of said chapter 34B being elected, selected or appointed under the requirements of said section 19A of said chapter 34B; provided, however, that until the Essex regional retirement board and the Essex regional retirement board advisory council are operating, the abolished county’s retirement board and retirement board advisory council and its members shall continue to serve.



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Regarding the third and fourth members, ERRBAC is responsible for running the elections for such ERRB members as explained in Section 33. These ERRB members must be retirees of the Essex Regional Retirement System. This is a significant change from the prior language in G.L. c. 34B which allowed the elected members to be active or retired members of the regional retirement system or one whose retirement is being reimbursed by that system in accordance with G. L. c. 32, § 3(8)(c). ERRBAC can use one ballot for both elections and the two candidates with the highest vote totals would be the new third and fourth members. If ERRBAC wishes to shorten the 90-day notice requirement for the election pursuant to 840 CMR 7.03, the Commission will review any formal written request submitted by ERRBAC for such waiver. The terms of the third and fourth members are three years.

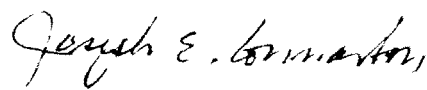
Regarding the fifth member, the newly constituted ERRB, consisting of four members, is responsible for electing the fifth member by a simple majority vote. The fifth member cannot be affiliated with the retirement system as explained in Section 33. The term of the fifth member is five years.

The new ERRB will elect a chair from among the five members. No person on the new ERRB can be employed by ERRB. In addition, no member of the new ERRB or employee of ERRB can register as a legislative or executive agent without resigning his or her position.

Pursuant to Section 33, if the Commission determines that ERRB violates or neglects to comply with G.L. c. 32 or 840 CMR, it may appoint a receiver to oversee ERRB to ensure the system is managed with reasonable care, skill, prudence, and diligence. The Commission also must appoint the first and fifth members if ERRB fails to do so within 30 days of the expiration of either member's term.

We trust the foregoing is of assistance. If you have any questions, do not hesitate to contact this office.

Sincerely,



Joseph E. Connarton  
Executive Director

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