

Advisory Council Meeting

April 5, 2017

An Essex Regional Retirement System Advisory Council meeting was held on Wednesday, April 5, 2017 at Flint Public Library, One South Main Street, Middleton, MA to conduct votes related to actions taken by the ERRS Board of Directors with the following attendees:

Advisory Council Members:

Cheryl Booth, Town of Hamilton
Don Carter, Town of Middleton
Herbert Dike, Lynnfield Housing Authority
Diane Doyle, Town of Newbury
Andrew Gould, Town of West Newbury
Ellen Guerin, Town of Boxford
Charles Kostro, Essex Regional Retirement System
Kevin Merz, Town of Ipswich
John Moak, Northeastern Mass. Mosquito Control

ERRS Board Members:

Vincent R. Malgeri
Susan J. Yaskell

ERRS Staff:

Pamela Lynch
Traci Masterson

Public:

George Howe
Andrew Sheehan, Middleton Town Administrator

Call to Order:

Kevin Merz called the meeting to order at 1:03 p.m.

Mr. Merz read the following statement at the start of the meeting:

The Massachusetts Open Meeting Law permits meetings to be recorded and states that the Chair shall inform attendees at the beginning of the meeting of any such recording. Therefore, I am informing everyone that Pamela Lynch will be recording this meeting.

As a reminder, Advisory Council members who rise to speak should identify themselves and the unit they represent. This will assist the retirement system staff in accurately recording the minutes of the meeting.

Andrew Sheehan, Town Administrator, Town of Middleton

Mr. Sheehan welcomed the Advisory Council members to the Town of Middleton and to the Middleton Public Library.

Approval of the Minutes of the Advisory Council Meeting of September 28, 2016

Ms. Ellen Guerin of Boxford moves that the minutes of the meeting of the Advisory Council held on September 28, 2016 be approved as presented. The motion was seconded by Ms. Diane Doyle of Newbury. VOTE: The Advisory Council voted all members in favor of the motion with none opposed and none abstaining.

Public Comment Period

There was no public comment.

ERRS Training Conference Announcement

Mr. Merz announced a training conference to be held by the retirement system on May 24, 2017 from 11:00 a.m. to 1:30 p.m. Mr. Kostro indicated that any representative of a member unit can attend this training, although it is geared primarily to payroll coordinators and will focus on enrollment and withholding issues. The training will be held at Ipswich Town Hall.

COLA Base Increase to \$14,000

Mr. Donald Carter of Middleton moved to approve an increase in the base amount to which the annual Cost-of-Living Adjustment is applied to eligible members of the Essex Regional Retirement System to \$14,000 effective as of July 1, 2017 pursuant to Massachusetts General Law, Chapter 32, Section 103(j). The motion was seconded by Mr. Moak of the Northeastern Mass. Mosquito Control.

Discussion ensued regarding increases to the unfunded liability due to the reduction in the assumed rate of investment return and the proposed increase to the COLA Base and whether this was placing too great a burden on member units. It was also noted that while progress has been made on the unfunded liability, the system is still only 52% funded and the question was raised whether this was the time for a COLA Base increase. Board and Advisory Council members spoke to the challenges retirees face on a fixed income and the limitation of COLA's to the base amount of \$14,000. VOTE: The Advisory Council voted seven members in favor of the motion, two opposed and none abstaining.

First Member Election Procedures

Ms. Cheryl Booth of Hamilton moved to approve the schedule for the election of the First Member of the Essex Regional Retirement System as presented, and to authorize the Chair of the Advisory Council to make such adjustments in the election schedule as he

shall deem necessary. The motion was seconded by Ellen Guerin of Boxford. Mr. Merz reviewed the proposed dates as listed the meeting packet materials. Mr. Kostro provided an overview of the election process and noted that PERAC is kept informed of the election as it progresses. The Advisory Council voted all members in favor of the motion with none opposed and none abstaining.

Retirement System Roundtable Discussion

Mr. Merz opened the discussion by describing this portion of the meeting as an opportunity to discuss any issues of concern to members. Mr. Kostro noted that a letter to PERAC with recently approved changes in ERRS regulations was added to the handouts provided to the Advisory Council members. Mr. Kostro explained that the changes were driven by a recent Appeals Court decision on the “once a member, always a member” policy. Discussion then ensued on a variety of other topics. The topics included whether it is possible to add consultants on financial planning and Social Security matters to the services ERRS provides to its members. Discussion also included a review of the notice that will be added to member statements beginning this month. Members explored several issues related to the presentation of the funding schedule, the eligibility for membership for elected officials, the need to encourage members to purchase prior non-membership service while payroll records are still available, as well as other retirement system issues.

To Adjourn The Meeting:

Mr. Andrew Gould of West Newbury moves that the meeting of the Advisory Council be adjourned at 2:02 p.m. Seconded by Ms. Diane Doyle of Newbury. VOTE: The Advisory Council voted all members in favor of the motion with none opposed and none abstaining.



Kevin A. Merz, Chair