

Advisory Council Meeting
April 24, 2019

A meeting was held by the Advisory Council of the Essex Regional Retirement System on Wednesday, April 24, 2019 at the Essex Town Hall, 30 Martin Street, Essex, MA. The following individuals were in attendance:

Advisory Council Members:

Diane Doyle, Town of Newbury
James Finnegan, Lynnfield Water District
Ann Gill, Town of Georgetown
Ellen Guerin, Town of Boxford
Vivian Haydar, Town of North Andover
Charles Kostro, Essex Regional Retirement System
Kevin Merz, Town of Ipswich, ERRS Board Member & Advisory Council Chair
Barbara Michalowski, Town of Topsfield
Jeffrey Soulard, Town of Essex
Jennifer Yaskell, Town of Manchester

ERRS Board Members:

Susan J. Yaskell

ERRS Staff:

None

Public:

Brendhan Zubricki, Town Administrator, Town of Essex

Call to Order:

Kevin Merz called the meeting to order at 1:05 p.m.

Mr. Merz read the following statement. 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 this meeting is being recorded. Mr. Merz further stated: 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.

Welcoming Remarks

Brendhan Zubricki, the Town Administrator for the Town of Essex welcomed the members of the Advisory Council to Essex Town Hall. Mr. Zubricki reviewed the renovation of Town Hall which created the meeting space in which today's Advisory Council meeting was being held. He also reviewed the history of Essex and discussed several important issues presently facing the community.

Public Comment Period

There was no public comment.

Approval of the Minutes of the Advisory Council Meeting of October 17, 2018

Ms. Ellen Guerin of Boxford moves that the minutes of the meeting of the Advisory Council held on October 17, 2018 be approved as presented. The motion was seconded by Ms. Jennifer Yaskell of Manchester. VOTE: The Advisory Council voted all members in favor of the motion with none opposed.

Third Member and Fourth Member Election Procedures

Mr. Merz and Mr. Kostro reviewed all of the upcoming votes relating to the election of the Third Member and the Fourth Member of the Board, as well as the recent history of elections for these two positions.

Use of a Single Ballot

Ms. Ellen Guerin of Boxford moves that the Advisory Council hereby approves the use of a single ballot for the election of the Third and Fourth Members of the Board, with the two highest vote-getters declared the winners. Said ballot shall be returned in a pre-paid, self-addressed envelope and valid voters must print their name and address in the upper left-hand corner. Each ballot shall be separately enclosed in a ballot envelope containing no identifying marks. 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.

Delegation of Election Officer

Ms. Jennifer Yaskell of Manchester moves that the Executive Director of the retirement system shall serve as the election officer for the election of the Third and Fourth Members of the retirement board, and as such, shall have the authority to adjust the schedule or procedures as may be necessary, shall be responsible for providing notices, distributing and collecting nomination papers, declaring ballots valid or invalid, and for the counting of the ballots as required in Massachusetts General Law Chapter 34B, Section 19A. The motion was seconded by Ms. Ann Gill of Georgetown. VOTE: The Advisory Council voted all members in favor of the motion with none opposed.

To Approve the Election Notice Letter

Ms. Vivian Haydar of North Andover moves that the Advisory Council hereby approves the letter to be sent on June 19, 2019 notifying members and retirees of the election of the Third and Fourth Members as presented. The motion was seconded by Ms. Barbara Michalowski of Topsfield. VOTE: The Advisory Council voted all members in favor of the motion with none opposed.

To Approve the Nomination Form and Receipt

Ms. Diane Doyle of Newbury moves that the Advisory Council hereby approves the nomination form and receipt for the election of the Third and Fourth Members as presented. The motion was seconded by Ms. Jennifer Yaskell of Manchester. VOTE: The Advisory Council voted all members in favor of the motion with none opposed.

To Approve the Candidate Statement Letter

Mr. Jeffrey Soulard of Essex moves that the Advisory Council hereby approves the letter notifying candidates of the receipt of their nomination papers and that they may submit a statement to be included with the ballots which statement shall not exceed 200 words. 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.

Certification of the Results

Ms. Diane Doyle of Newbury moves that the Advisory Council delegate to the Essex Regional Retirement Board the notification to the candidates of the results of the election and the certification of the results to PERAC. The motion was seconded by Ms. Ellen Guerin of Boxford. VOTE: The Advisory Council voted all members in favor of the motion with none opposed.

To Approve the Election Schedule:

Ms. Ellen Guerin of Boxford moves that the Advisory Council hereby approves the schedule of the election for the Third and Fourth Members of the Board of the retirement system as presented below:

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|---------------------------|--|
| June 19, 2019 | First notice of election mailed to all members and retirees. Notice of election and nomination process and deadline to all retired members of ERRS. Nomination papers available. |
| August 22, 2019 | Initial election materials, specifications and deadlines to printers. |
| September 18, 2019 | Deadline for Filing Nomination Papers (5 Signatures Required). Nomination paper receipt letter sent to candidates. Candidates notified of statement limitations and deadline for submission. |
| September 25, 2019 | Deadline for submission of candidate statements. |
| October 2, 2019 | Fall Advisory Council meeting. Nomination papers and candidate statements certified by Advisory Council; Ballot order determined. Candidates notified of ballot order and election schedule as |

approved by Advisory Council. Ballots and other election materials and specifications to printers.

- October 7, 2019** Final election materials to mail house.
- October 18, 2019** Deadline for mailing the ballots.
- November 6, 2019** Postmark deadline for return of ballots.
- November 20, 2019** Counting of the ballots by Board staff per delegation of this responsibility by the Advisory Council.
- November 25, 2019** Board certifies election results per delegation of this responsibility by the Advisory Council. Notification of election results to PERAC. Elected members provided with PERAC forms.
- December 2, 2019** New three (3) year terms for Third and Fourth Members begin.

The motion was seconded by Ms. Barbara Michalowski of Topsfield. VOTE: The Advisory Council voted all members in favor of the motion with none opposed.

New Business

Mr. Merz discussed the Board's vote to revise the previously approved funding schedule. He noted that a new funding schedule was issued to the units. Mr. Merz described the Early Retirement Incentive (ERI) approved by the retirement board and adopted by a number of units in 2002. He noted that the Board voted to have the actuary develop a new funding schedule, which reflects the removal of the ERI charges. Mr. Merz advised that the new funding schedule will add a little more to the cost of the system and that the large 7.41% increases will not end as quickly as in the originally approved funding schedule. Jennifer Yaskell asked Mr. Merz how many additional years of 7.41% increases will there be under the revised funding schedule. Mr. Merz explained that there is another year of 7.41% increases. Jennifer Yaskell noted that when she defers paying off something in her personal life it always ends up costing more and she asked Mr. Merz if the revised funding schedule was going to result in increased costs for the units. Mr. Merz responded that he wouldn't say it is a cost but it is less money that the retirement system is receiving to invest so there is a loss of investment earnings. Mr. Merz noted that the PRIT Fund did lose money last year. He also commented that Mr. Benson on the retirement board always wants to reduce the COLA paid to retirees to save the retirement system money but, he said, the annual COLA increase is already baked into the funding schedule, and nearly all retirement systems grant the annual COLA increase. Mr. Merz said he would like to hear if any members of the Advisory Council would like to the board cut back on the COLA's offered to retirees. He noted that the COLA increase is \$420 per year for an individual retiree who makes at least \$14,000. Ms. Guerin asked Mr. Merz what percentage the retirement system is funded. Mr. Merz responded that as of December 31, 2018, ERRS was 54.8% funded. Ms. Guerin said it would be interesting to see a funding schedule

without the 3% COLA increase baked into the funding schedule. Mr. Merz said that the Board could get that and asked Ms. Guerin to send an email with the specifics of what she would like to see relative to the COLA. Ms. Guerin said it would be interesting to see how the cost of the 3% COLA impacts the funding schedule. Mr. Merz asked Ms. Guerin if she would like to see a funding schedule with just one year of not granting a COLA. Ms. Guerin responded that she would like to see a funding schedule with no COLA's baked in and then the Board could select something in the middle rather than just assuming a 3% COLA is granted every year.

Retirement System Roundtable

There were no discussion items.

To Adjourn the Meeting:

Ms. Ellen Guerin of Boxford moves that the meeting of the Advisory Council be adjourned at 1:34 p.m. Seconded by Ms. Vivian Haydar of North Andover. VOTE: The Advisory Council voted all members in favor of the motion with none opposed and none abstaining.



Kevin A. Merz, Chair