

**ESSEX REGIONAL RETIREMENT BOARD  
OCTOBER 23, 2017**

At the regular meeting of the Essex Regional Retirement System (ERRS) held on Monday, October 23, 2017 at 491 Maple Street, Suite 201 at 8:30 a.m. the following Board members were present for all or some of the meeting: Vincent R. Malgeri, H. Joseph Maney, Kevin A. Merz and Susan J. Yaskell.

Also in attendance for all or some of the meeting were:  
Charles Kostro, ERRS Executive Director  
Pamela Lynch, ERRS Administrative Assistant  
Michael Sacco, ERRS Counsel  
Robert Blanchard, ERRS Member from the Town of Wenham  
Deborah Blanchard, Spouse of Robert Blanchard  
Peter Lombardi, Town Administrator, Town of Wenham  
Dana Nunan, ERRS member from the Town of Georgetown  
Michael A. Torrisi, Counsel for Mr. Nunan

Board Chair Joseph Maney called the meeting to order at 8:32 a.m. The Board said the pledge of allegiance.

**Approval of Board Minutes**

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 3-0, with Kevin A. Merz abstaining; To approve the minutes of the regular and executive session of the meeting of September 25, 2017.

**Public Comment Period**

Robert Blanchard, a member from the Town of Wenham, read a statement regarding his creditable service. A copy of Mr. Blanchard's statement was provided to the Board. The Board thanked Mr. Blanchard for his comments.

**New Enrollments**

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 4-0; That the following named employees be enrolled in the Essex Regional Retirement System, a list of twenty-five names beginning with Katie M. Adie and ending with Denise Zahn

<u>Name</u>	<u>Unit Name</u>	<u>Department</u>	<u>Date</u>	<u>Group</u>
Adie, Katie M.	North Andover	School	08/30/2017	1
Amero, Tanya J.	Hamilton-Wenham RSD	School	09/05/2017	1
Blake, David D.	Boxford	Fire	09/18/2017	4

Breton, Linda J.	Hamilton-Wenham RSD	School	09/05/2017	1
Burnham, Abigail K.	North Andover	School	09/05/2017	1
Daly, Meghan M.	Hamilton-Wenham RSD	School	08/28/2017	1
Dorey, Kayla N..	Ipswich	School	08/28/2017	1
Downey, Michelle A.	North Andover	School	08/29/2017	1
Hite, Sabrina K.	Hamilton-Wenham RSD	School	08/28/2017	1
Huch, Kimberly M.	North Andover	School	08/29/2017	1
Ingraham, Zachary S.	Middleton	Fire	09/11/2017	4
Kohler, Jarred K.	Boxford	Civil Dispatch	08/03/2017	1
Kramer, Lisa M.	North Andover	School	08/30/2017	1
Lambert, Jody C.	North Andover	School	09/05/2017	1
Lavacchia, James A.	Georgetown	Water	09/18/2017	1
Loth, Kara A.	North Andover	School	08/30/2017	1
Melia, Kaitlin E.	North Andover	School	08/30/2017	1
Miranda, Brandon S.	Hamilton Wenham RSD	School	10/02/2017	1
Politano, James M.	Wenham	Facilities	09/11/2017	1
Polonsky-Broughton, Tammy L.	Boxford	Civil Dispatch	06/22/2017	1
Ryan, James J.	Salisbury	Town Admin. Staff	09/11/2017	1
Serozynski, Ronald S.	Hamilton	DPW	08/30/2017	1
Tsurumaki, Laura E.	Ipswich	School	08/23/2017	1
Turgeon, Samantha E.	North Andover	School	08/30/2017	1
Zahn, Denise	Ipswich	School	08/14/2017	1

### **New Retirements**

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted 4-0; That the following five members of the Essex Regional Retirement System be awarded superannuation retirement benefits calculated as follows:

1. David C. Creesy, Facilities Director, Manchester-Essex Regional School District, Group 1  
Effective Retirement Date: October 6, 2017  
Monthly Retirement Allowance: \$1,825.68  
Annual Retirement Allowance: \$21,908.16
2. Kathryn M. LeGere, School Secretary, Town of Georgetown, Group 1  
Effective Retirement Date: August 25, 2017  
Monthly Retirement Allowance: \$1,328.97  
Annual Retirement Allowance: \$15,947.64
3. Kathy L. Randle, Planning and Land Use Assistant, Town of Lynnfield, Group 1  
Effective Retirement Date: August 31, 2017  
Monthly Retirement Allowance: \$2,497.51

Annual Retirement Allowance: \$29,970.12

4. Donna E. Turcotte, School Bus Driver, Town of Lynnfield, Group 1  
Effective Retirement Date: August 31, 2017  
Monthly Retirement Allowance: \$1,037.37  
Annual Retirement Allowance: \$12,448.44
5. Michele F. Young, D.P.W. Office Clerk, Town of Ipswich, Group 1  
Effective Retirement Date: September 1, 2017  
Monthly Retirement Allowance: \$2,021.26  
Annual Retirement Allowance: \$24,255.12

### **Creditable Service Awards**

Upon a motion by Susan J. Yaskell, seconded by Vincent R. Malgeri, the Board voted 4-0; That the retirement system staff has verified that the required payments having been received, that the following three members of the Essex Regional Retirement System be awarded creditable service as follows:

1. Matthew P. Armitage shall be awarded five years and five months of creditable service for the purchase of reserve police service rendered from April 7, 2003 to September 25, 2010 with the Town of Middleton.
2. Craig R. Lemke shall be awarded four years of creditable service for the purchase of military service rendered February 24, 1969 to February 23, 1973.
3. Stefan S. Taschner shall be awarded seven years of creditable service for the purchase of elected service rendered from April 2, 1990 to April 6, 1997 with the Lynnfield Center Water District.

### **Acceptance of Liability**

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted 4-0; That the Board accepts liability for past service rendered by the following individual as described below:

1. April Lacerda-Hautala for two years and nine months of prior refunded service from September 21, 1998 to June 30, 2001 upon proper payment of the refund as requested by the Gloucester Contributory Retirement Board.

### **Denial of Liability**

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted 4-0; That the Board denies liability for past service rendered by the following individuals as described below:

1. John E. Barry as requested by the Massachusetts Port Authority Retirement System, for service rendered from November 1, 2016 to August 21, 2017, with the Town of Manchester-by-the-Sea, as this individual was not a member of the retirement system, did not remit contributions, and was not wrongfully excluded during this period.
2. To rescind a previous acceptance of liability for Jeffrey R. Sapienza as requested by the Lawrence Retirement Board for the period of January 1, 1997 through June 20, 1999 as ERRS never received contributions during this period.

### **Refund Warrant**

Upon a motion by Susan J. Yaskell, seconded by Kevin A. Merz, the Board voted 4-0; To approve the warrant for October 2017, to refund, rollover and transfer the total accumulated deductions for eleven members beginning with Jennifer L. Aronson and ending with Donna E. Turcotte, in the total net amount of \$81,093.83.

<b>Name</b>	<b>Type</b>	<b>Board or Institution</b>
Aronson, Jennifer L.	Transfer	Mass Teachers Retirement System
Gustafson, Gina M.	Withdrawal	
Joseph, John T.	Withdrawal	
Karagozi, Behije	Transfer	Peabody Retirement Board
Mitchell, Dexter M.	Withdrawal	
Parker, Alexia N.	Withdrawal	
Simons, Diane M.	Transfer	Wakefield Retirement Board
Somers, David C.	Withdrawal	
Theokas, Judith A.	Transfer	Saugus Retirement Board
Thornton, Susan W.	Transfer	Mass Teachers Retirement System
Turcotte, Donna E.	Withdrawal	

### **September Retirees Payroll**

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted 4-0; To approve the retirement allowances for the month of September in the actual amount of \$3,698,190.04.

### **October Retirees Payroll**

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted 4-0; To approve the retirement allowances for the month of October in the estimated amount of \$3,725,000.00.

### **ERRS Payroll**

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 4-0; To approve the payment of the ERRS employee payrolls for September 29, 2017 in the amount of \$20,599.05, and October 13, 2017 in the amount of \$18,724.06.

### **Cash Disbursement Warrant CD2017.10**

Upon a motion by Susan J. Yaskell, seconded by Kevin A. Merz, the Board voted 4-0; To approve the Cash Disbursement Warrant CD2017.10 for October 2017 as presented in the total amount of \$18,628.13.

<b>Vendor</b>	<b>Amount</b>
ASI Flex - Admin Fees - 2016.9	10.00
Comcast - November	355.92
Dahab Associates - Q3 2017	7,500.00
Town of Danvers - Electric - Suite 201	145.19
Town of Danvers - Electric - Suite 202	156.65
H.C.O.P.T. - Condo Fee	1,482.00
HIQ Computers - #116362	82.50
Harpers Payroll Service	80.64
Harpers Payroll Service	42.89
Law Office of Michael Sacco - 2017.09	4,832.00
Retreivex Monthly Bill - October	315.48
Ricoh USA, Inc. - Print Cartridge	198.00
Ricoh USA, Inc. - Monthly Bill	288.69
SJC Services Inc. - Monthly Bill	225.00
Verizon Wireless - Monthly Bill	159.96
Virtual Town Hall Holdings, LLC - Website Redesign & Conversion	2,500.00
W.B. Mason Company, Inc. - Office Supplies	253.21
<b>Total</b>	<b>18,628.13</b>

Mr. Merz asked about the status of the Dahab agreement. Mr. Kostro advised that the agreement with Dahab Associates expires on December 31, 2017.

## **Cash Disbursement Warrant CD2017.10a – Board Member Travel Reimbursement**

Mr. Kostro explained that he did not approve this travel reimbursement request as, in his view, it was not submitted in accordance with the retirement system's travel regulation. He described previous audit findings citing minor technical issues such as a travel reimbursement form not having a date on it or a Google map not being supplied for mileage. Mr. Kostro felt that a reimbursement request such as the one before the Board which was so clearly not in compliance with the requirements of the travel regulation, would most likely be another audit finding. He said his detailed explanation for not approving this reimbursement request was in the memo he put in the Board's packet. Mr. Malgeri said that he read the material provided and the supplemental regulation and that there was no way he could support this reimbursement request. He noted that all other members submitted their travel requests in accordance with the regulation. Mr. Malgeri saw no way that Mr. Kostro could approve this request. Ms. Yaskell recalled the Board's original approval of Mr. Benson's travel and said that she thought the discussion of the hotel rates was left somewhat up in the air. However, she noted that she could not approve this reimbursement request as it was submitted far too late. Mr. Merz said he agreed with the comments but said that Mr. Benson has a full-time job and that a thirty-day requirement for the submission of travel reimbursements was difficult and that he would like to see that changed to ninety days. Mr. Merz said that he wished there was a way to reimburse Mr. Benson his out-of-pocket expense but that the reimbursement should be based on the group rate offered for the conference rather than for the cost of a more expensive hotel. He said he wanted to see the regulation changed at an upcoming meeting. Ms. Yaskell noted that even with a change to a ninety-day requirement Mr. Benson's request would still not be timely submitted and could not be approved. Mr. Malgeri asked Mr. Kostro if he had seen a situation like this in his years with the retirement system. Mr. Kostro said that he could not recall a situation similar to this with any Board member in previous years. Mr. Malgeri stated that he did not support a change in the regulation and that other travel regulations use thirty-days. Mr. Maney said that he does not think the regulation needs to be changed but thought the Board could approve this request anyway. Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 4-0; To take no action on Cash Disbursement Warrant CD2017.10a.

## **FY2019 Appropriation – Free Service**

Mr. Kostro provided the Board with the history involving free service granted to members of the Manchester-Essex Regional School District and one employee of the Rowley Housing Authority. He described how the statute permits the retirement system to bill the employer for the free service granted to the members. Mr. Kostro stated that the ERRS actuary completed a report several months ago on the cost to be allocated to each employer for their respective employees' free service. He said that this report was submitted to PERAC and to the employer units, although the employer units stated that they did not receive it. PERAC has approved the request to bill these two units beginning in FY2019. The units have two payment options, either pay in a lump sum or to pay over the years

remaining to full funding. The motion before the Board is simply to approve the options to be provided to both units. Mr. Maney noted that if these units don't pay this cost all of the other units must pick up the cost. Mr. Malgeri asked about the dates in the PERAC letter, which were clarified by Mr. Kostro. Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 4-0; That the Executive Director shall contact the Manchester-Essex Regional School District and the Rowley Housing Authority and request their preference for adding the cost of their employees' free service to the annual appropriation as approved by PERAC.

### **PTG Employer Reporting Module**

Mr. Kostro reviewed the additional requirements for training that were added to the scope of work. Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted 4-0; To approve the amended Statement of Work with Pension Technology Group for the provision of an Employer Reporting Module.

### **Actuarial Consulting Services Agreement**

Mr. Kostro reviewed the revised agreement for actuarial consulting services. He said that most of the changes requested by Segal Company were included in the revised draft, but not all. He thanked Mr. Sacco for his help in redrafting this agreement. Upon a motion by Susan J. Yaskell, seconded by Vincent R. Malgeri, the Board voted 4-0; To approve the Agreement for Actuarial Consulting Services as presented with The Segal Company.

### **Newsletter v. Annual Report**

Mr. Kostro said that Anne Speicher had attended the recent PERAC Emerging Issues Forum where the session on retirement system best practices discussed annual reports issued by some retirement boards. He wanted to discuss this with the Board to see if it was inclined to produce an annual report as well. Mr. Kostro reviewed the twice annual newsletter and the annual budget report currently produced by ERRS. Mr. Kostro said he produces both these documents. However, he did not feel that he was producing newsletters that were as glossy or attention-getting as the annual reports produced by some other retirement systems. Mr. Kostro said that when he writes the newsletters his focus is on the rules and regulations of the retirement system as these directly affect the members' benefits. Mr. Kostro wonders if the current newsletter is reaching members to the extent the Board desires. Ms. Yaskell said that based on her interaction with members, they do enjoy the current newsletter and she would like to see it continue. Mr. Kostro felt that the budget constraints would not permit both the twice a year newsletter and an annual report. Mr. Merz said that he does not support going to just one annual report. He stated that he would rather see more newsletters throughout the year that may be shorter than the current twice per year newsletter. Upon a motion by Susan J. Yaskell, seconded by Vincent R. Malgeri, the Board voted 0-4; To discontinue the retirement system newsletter pending a

report by the Executive Director on the cost of producing and distributing a single annual report. The motion was defeated.

### **2018 Board Meeting Dates**

The Board discussed the proposed schedule of meetings for 2018. Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 4-0; To tentatively approve the following dates for the regular monthly meetings of the Board of the Essex Regional Retirement System for 2018:

January 29, 2018  
February 26, 2018  
March 26, 2018  
April 30, 2018  
May 29, 2018 (Tuesday after Memorial Day)  
June 25, 2018  
July 30, 2018  
August 27, 2018  
September 24, 2018  
October 22, 2018  
November 26, 2018  
December 17, 2018

### **First Board Member Election**

Mr. Kostro provided an update of the status of the First Member election and that the Board's packet has a copy of the notice and ballot that were sent to the chief executives. Mr. Kostro also reviewed the schedule for receipt and counting of the ballots. Mr. Malgeri asked about the weighted vote as required in the statute. Mr. Kostro reviewed the process for allocating the weighted vote. Mr. Sacco stated that this is a standard requirement for this position on county retirement boards.

### **Full-Time Exempt Employees**

Mr. Kostro advised that the issue of clarifying what constitutes full-time service came about as a result of Mr. Blanchard's situation. He said that he heard Mr. Blanchard's statement at the beginning of the meeting and agreed with what he said. The motion before the Board would address how to handle salaried, exempt employees while still retaining the thirty-five hours per week standard. Mr. Kostro acknowledged ERRS Counsel Michael Sacco's work in developing the language for this motion. Mr. Lombardi, the Town Administrator from Wenham spoke to the Board in support of this clarification. Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 4-0; A member shall be considered full-time if they are assigned to work thirty-five (35) hours per week or more, or if the member is classified as a Fair Labor Standards Act (FLSA) exempt



employee who is paid at least \$23,600 per year (\$455 per week), is paid on a salary basis, and performs exempt job duties.

### **Executive Session**

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted by roll call, Vincent R. Malgeri, Yes; H. Joseph Maney, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To move to executive session to discuss the disability application of Dana Nunan and to discuss security strategies.

The Board moved into executive session at 9:30 a.m.

The Board returned to open session at 10:02 a.m.

While in executive session, the Board voted as follows:

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted by roll call: Vincent R. Malgeri, Yes; H. Joseph Maney, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes: To approve the accidental disability application of Dana Nunan and to record this vote in the open meeting session minutes.

### **Motion to Adjourn**

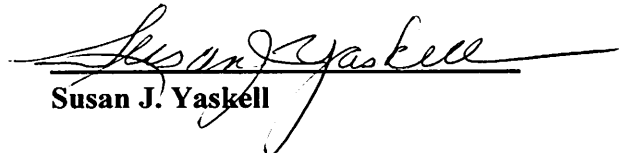
Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted 4-0; To adjourn the meeting.

The meeting was adjourned at 10:02 a.m.

  
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Vincent R. Malgeri

  
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H. Joseph Maney

  
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Kevin A. Merz

  
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Susan J. Yaskell

In addition to the materials provided to the Board for items acted upon at the meeting, the following documents were also provided:

Agenda Posting Checklist

BlackRock Distribution Notice dated September 2, 2017

Boston Millennia – Point of Contact Change

Boston Millennia II – Notice of Distribution dated October 17, 2017

Deduction Posting Report - September

Executive Director's Schedule

Levine Leichtman Fund IV Distribution Letter dated September 29, 2017

Monthly Bank Reconciliation

Monthly Fund Transfers

Open Meeting Law Guide – Revised October 6, 2017

PRIT Fund Monthly Report – September 2017

PERAC Memo 30.2017 – Mandatory Board Member Training

PERAC Memo 31.2017 – Appropriation Data Attachment

PERAC Memo 31.2017 – Appropriation Data Due

PERAC Memo 32.2017 – Tobacco Company List Attachment

PERAC Memo 32.2017 – Tobacco Company List

Quarterly Cash Flow Report.Q3 2017

Robert Blanchard Statement

TA Realty – Hurricane Irma Update