

ESSEX REGIONAL RETIREMENT BOARD
MARCH 27, 2017

At a regular meeting of the Essex Regional Retirement System (ERRS) held on Monday, March 27, 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: Alan J. Benson, Vincent R. Malgeri, H. Joseph Maney (via Skype), 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 General Counsel
Darren Klein, Attorney, Town of Salisbury
Adam Troupe, Attorney for Ann Bushnell
Ann Bushnell
Melissa Lanouette, Attorney for Mr. Trofatter
Jillian Trofatter
Ken Trofatter

ERRS Board Acting Chair Susan J. Yaskell called the meeting to order at 8:36 a.m. The Board said the pledge of allegiance.

Opening Statement by the Acting Chair – Recording of the Meeting

Susan J. Yaskell, acting as the Chair, 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 attending this meeting that Pamela Lynch is recording this meeting.

Remote Participation Announcement

Susan J. Yaskell, acting as the Chair, read the following announcement: Pursuant to 940 CMR 29.10, the Chair is advising the meeting that Joseph Maney will be participating in this meeting remotely as permitted under Section (5) as geographic distance makes his attendance unreasonably difficult. I would also note for the record that a quorum of the Board is present at the meeting as required and that Mr. Maney will be participating via Skype and that he is clearly audible to everyone present.

In Mr. Maney's absence, I will be chairing this meeting as required by the Remote Participation Regulation. Finally, I want to remind the Board and those in attendance that all votes at a meeting in which a member participates remotely shall be by roll call.

Administrative Assistant Stipend

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board moved to amend the position description for the Administrative Assistant to add a monthly stipend of \$100.00 for the performance of public meeting support duties. Mr. Kostro reviewed the effort's to hire a new Board Secretary, including posting the position at the wage previously paid, which the Board rejected, and then posting the position at the reduced wage, which produced no qualified candidates. He described efforts to recruit individuals for this position at the reduced wage and directed the Board's attention to the letter in their packet from a municipal Board Secretary who turned down the ERRS position as the wage was too low. Mr. Kostro noted that the ERRS administrative assistant attends the monthly meetings now to support him and that the proposed stipend of \$100 reflects the additional duties she is being assigned which were not in her original job description. He noted that this payment still results in a savings of \$2,000 compared to what was budgeted for the Board Secretary and that PERAC does not see any issue with paying this stipend. Mr. Benson noted that this is not how they adjust job descriptions in Boxford. Ms. Yaskell suggested returning to this item once the Skype connection with Mr. Maney was properly working.

Approval of Board Minutes

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call: Alan J. Benson, Yes; Vincent R. Malgeri, Yes; H. Joseph Maney, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To approve the minutes of the regular and executive session of February 27, 2017.

Public Comment Period

There was no public comment.

New Enrollments

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the Board voted by roll call: Alan J. Benson, Yes; Vincent R. Malgeri, Yes; H. Joseph Maney, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; That the following named employees be enrolled in the Essex Regional Retirement System, a list of thirty-nine names beginning with Marianne M. Alberigi and ending with Laurie A. Zywiak.

<u>Name</u>	<u>Unit Name</u>	<u>Department</u>	<u>Hire Date</u>	<u>Group</u>
Alberigi, Marianne M.	Triton RSD	School	02/15/2017	1
Bouchard III, Henry A.	Middleton	Police	02/21/2017	4
Brady, Anne E.	Hamilton Wenham RSD	School	01/23/2017	1
Cardarelli, Nicole A.	Middleton	Library	01/28/2017	1
Cloutier, Michael J.	Middleton	Electric	01/23/2017	4
Connelly, Andrea	Pentucket RSD	School	01/17/2017	1
Davis, Jeffrey K.	Topsfield	School	02/27/2017	1

DiBisceglia, Nikki	Lynnfield	School	01/09/2017	1
Drago, Katelyn E.	Salisbury	Civil Public Safety	01/22/2017	1
Eaves-Walker, Cecilia R.	Lynnfield	School	02/15/2017	1
Federico, Jason M.	Essex	Water	01/30/2017	1
Foustoukos, Claire A.	Lynnfield	Council on Aging	02/01/2017	1
Gaffney, Heidi M.	Topsfield	Conservation	02/27/2017	1
Guild, Ryan T.	North Andover	School	10/04/2016	1
Guvendiren, Michelle R.	Ipswich	Library	12/19/2016	1
Horn, Michael W.	Ipswich	School	02/07/2017	1
LaMountain, Liana	Georgetown H.A.	H.A. Staff	01/31/2017	1
Laperchia, Joseph R.	Georgetown	Highway	02/13/2017	1
Maguire, Christopher J.	West Newbury	Police	12/21/2016	4
Malloy, Darren M.	Nahant H.A.	H.A. Staff	02/13/2017	1
Marchand, Julia M.	Manchester-Essex RSD	School	01/03/2017	1
McGettrick, Patrick M.	Rowley	Police	02/17/2017	4
Monroe, Jennifer T.	Masconomet RSD	School	12/12/2016	1
Morrow, Denise M.	Hamilton-Wenham RSD	School	01/17/2017	1
Obuchowski, Gregory F.	Triton RSD	School	01/03/2017	1
Ottani, Christopher W.	Rowley	Police	01/30/2017	4
Patch, Bianca M.	Ipswich	School	11/22/2016	1
Perez, Oscar E.	Pentucket RSD	School	08/12/2016	1
Renzulli, Christopher M.	Rowley	Water	01/23/2017	1
Robart, Curtis C.	North Andover	School	11/01/2016	1
Soares, Errin N.	Middleton	School	01/19/2017	1
Stoner, James R.	Merrimac	Civil Public Safety	01/23/2017	1
Torres, Tianisha Y.	Ipswich	School	01/03/2017	1
Webster, Crystal I.	Hamilton-Wenham RSD	School	02/21/2017	1
Williams, Karyn M.	Georgetown	School	12/13/2016	1
Willis, Mary E.	Topsfield	Town Clerk & Staff	01/26/2017	1
Xenos, Allyson E.	Masconomet RSD	School	01/03/2017	1
Ziehler, Jennifer E.	Triton RSD	School	01/30/2017	1
Zywiak, Laurie A.	West Newbury	Finance	03/01/2017	1

New Retirements

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call: Alan J. Benson, Yes; Vincent R. Malgeri, Yes; H. Joseph Maney, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; That the following eleven members of the Essex Regional Retirement System be awarded superannuation retirement benefits calculated as follows:

1. Daniel J. Crevier, Town of North Andover, Police Sergeant, Group 4
Effective Retirement Date: February 1, 2017
Monthly Retirement Allowance: \$2,575.38
Annual Retirement Allowance: \$30,904.56

2. Timothy C. Frithsen, Town of Rockport, Police Officer, Group 4
Effective Retirement Date: February 11, 2017
Monthly Retirement Allowance: \$5,197.38
Annual Retirement Allowance: \$62,368.56
3. Ronald P. Giovannacci, Town of Topsfield, Fire Chief, Group 4
Effective Retirement Date: January 25, 2017
Monthly Retirement Allowance: \$6,574.74
Annual Retirement Allowance: \$78,896.88
4. Claudia R. Johnson, Town of Middleton, Librarian, Group 1
Effective Retirement Date: January 27, 2017
Monthly Retirement Allowance: \$2,708.02
Annual Retirement Allowance: \$32,496.24
5. Steven Kenney, Town of Manchester, Director of Public Works, Group 1
Effective Retirement Date: February 18, 2017
Monthly Retirement Allowance: \$3,985.29
Annual Retirement Allowance: \$47,823.48
6. Stephen W. May Sr., Town of Rowley, Police Lieutenant, Group 4
Effective Retirement Date: January 27, 2017
Monthly Retirement Allowance: \$4,294.14
Annual Retirement Allowance: \$51,529.68
7. Richard A. Morrill, Town of Ipswich, Laborer, Group 1
Effective Retirement Date: January 27, 2017
Monthly Retirement Allowance: \$3,047.20
Annual Retirement Allowance: \$36,566.40
8. Lana Seguin-Spillman, Town of Topsfield, Conservation Commission Administrator, Group 1
Effective Retirement Date: January 31, 2017
Monthly Retirement Allowance: \$2,230.95
Annual Retirement Allowance: \$26,771.40
9. Edward J. Szczechowicz, Hamilton-Wenham Regional School District, Custodian, Group 1
Effective Retirement Date: January 20, 2017
Monthly Retirement Allowance: \$532.44
Annual Retirement Allowance: \$6,389.28
10. Bruce D. Thibodeau, Town of North Andover, Director of Public Works, Group 1
Effective Retirement Date: January 20, 2017
Monthly Retirement Allowance: \$2,696.01
Annual Retirement Allowance: \$32,352.12

11. James S. Zabelski, Town of Ipswich, Police Officer, Group 4
Effective Retirement Date: January 31, 2017
Monthly Retirement Allowance: \$4,704.45
Annual Retirement Allowance: \$56,453.40

Administrative Assistant Stipend - Continued

Mr. Malgeri stated his support for the motion and pointed to the approval from PERAC obtained by Mr. Kostro and that ERRS Counsel also stated that there are no legal objections to paying this stipend. Ms. Yaskell suggested that the stipend could be \$50 rather than \$100. Discussion ensued after which Mr. Benson moved to amend the motion to table this item for a month. Upon a motion by Alan J. Benson, seconded by Kevin A. Merz, the Board voted by roll call: Alan J. Benson, Yes; Vincent R. Malgeri, Yes; H. Joseph Maney, No; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To table this item for a month.

Disability Retirement Award – Ralph Matthes

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call: Alan J. Benson, Yes; Vincent R. Malgeri, Yes; H. Joseph Maney, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; That Ralph Matthes shall be awarded an accidental disability retirement benefit calculated as follows:

1. Ralph J. Matthes, Town of North Andover, Custodian, Group 1
Effective Retirement Date: July 11, 2015
Monthly Retirement Allowance: \$2,726.12
Annual Retirement Allowance: \$32,713.44

Rescinding Membership – Dean Julien

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the Board voted by roll call: Alan J. Benson, Yes; Vincent R. Malgeri, Yes; H. Joseph Maney, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; That the membership of Dean Julien be rescinded as he did not meet the membership requirements in effect at the time of his re-enrollment in January of 2006 and that his contributions for the period of January 1, 2006 to October 31, 2016 are returned to him.

Creditable Service Awards

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the Board voted by roll call: Alan J. Benson, Yes; Vincent R. Malgeri, Yes; H. Joseph Maney, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; That the retirement system staff has verified that the required payments having been received, that the following members of the Essex Regional Retirement System be awarded creditable service as follows:

1. Jeremy D. Dalton shall be awarded five years of creditable service for the purchase of call fire service from January 1, 1992 to June 30, 1993 and from January 1, 2002 to June 30, 2005 with the Town of Ipswich.
2. Lisa A. Heitz shall be awarded two months of creditable service for the purchase of prior non-membership service from May 12, 2004 to July 30, 2004 and three years and ten months of creditable service for her purchase of prior refunded service from November 8, 1999 to September 26, 2003 with the Hamilton-Wenham Regional School District.
3. Annmarie Marchand shall be awarded ten months of creditable service for the purchase of prior non-membership service from November 1, 1999 to June 30, 2001 with the Masconomet Regional School.
4. Bonnie O'Leary shall be awarded four years and five months of creditable service for the purchase of prior non-membership service from September 2004 to August 2016 with the Middleton Public Schools.

Acceptance of Liability

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call: Alan J. Benson, Yes; Vincent R. Malgeri, Yes; H. Joseph Maney, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; That the Board accepts liability for past service rendered by the following individual as described below:

Valerie Petrillo as requested by the Massachusetts Teachers Retirement System and upon proper repayment, for nine months of prior refunded service rendered from November 1, 2010 to August 11, 2011, with the North Andover Public Schools.

Denial of Liability

Upon a motion by Vincent R. Malgeri, seconded by Alan J. Benson, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; that the Board deny liability for past service rendered by the following individual as described below:

1. Valerie Petrillo as requested by the Massachusetts Teachers Retirement System, for service rendered from January 2009 to October 2010, with the North Andover Public Schools, as she was not a member of the retirement system, did not remit contributions, and was not wrongfully excluded during this period.

Refund Warrant

Upon a motion by Alan J. Benson, seconded by Kevin A. Merz, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To approve the warrant for March 2017, to refund,

rollover and transfer the total accumulated deductions for thirty-five members beginning with Karen M. Allan and ending with Robert A. Veator, Jr., in the total net amount of \$590,616.97.

Name	Type	Board or Institution
Allan, Karen M.	Transfer	State Retirement Board
Barbanti, Anthony G.	Withdrawal	
Beaton, Amy C.	Transfer	Mass Teachers Retirement System
Beebe, Jill E.	Withdrawal	
Bleau, Loren E.	Transfer	Newburyport Retirement Board
Brosnan, Laura Anne	Transfer	Salem Retirement Board
Cody, Roberta A.	Withdrawal	
Coleman, Christopher	Transfer	Beverly Retirement Board
Fitzgerald, Eileen	Withdrawal	
Freeman, Erin	Transfer	State Retirement Board
French, Jeffrey C.	Withdrawal	
Gallagher, Alyssa R.	Transfer	Middlesex County Retirement Board
Giovannacci, Ronald P.	Withdrawal	
Goodwin, Paula	Withdrawal	
Goodwin, Paula	Rollover	Raymond James Financial
Gordon, Dayna	Transfer	State Retirement Board
Heaton, Andrew P.	Withdrawal	
Heaton, Andrew P.	Transfer	Fidelity Management Trust
Hoenmeyer, Cheryl	Withdrawal	
Jackson, Bradford L.	Transfer	Concord Retirement Board
Keville, Carrie L.	Transfer	Newburyport Retirement Board
Knowlton-Binns, Greer M.	Transfer	Middlesex County Retirement Board
Lesiczka, Walter P.	Withdrawal	
Lesiczka, Walter P.	Transfer	Haverhill Retirement Board
Masamba, Lelo C.	Withdrawal	
McNulty-Cesa, Annemarie	Transfer	Swampscott Retirement Board
Newell, Donald H.	Transfer	Wellesley Retirement Board
Pagos, Elizabeth H.	Transfer	Salem Retirement Board
Pellicelli, Paul A.	Withdrawal	
Reffett, Patrick H.	Withdrawal	
Riley, Amanda J.	Transfer	Mass Teachers Retirement System
Sadkin, Amy L.	Transfer	Framingham Retirement Board

Schlesinger, Jessi L.	Transfer	Andover Retirement Board
Sipple, Thomas R.	Withdrawal	
Stuart, Devon J.	Transfer	Amesbury Retirement Board
Trigilio, Carmela	Transfer	State Retirement Board
Vaughn, Wesley T.	Rollover	Edward Jones, & Company
Veator, Jr., Robert A.	Withdrawal	

March Retirees Payroll

Upon a motion by Alan J. Benson, seconded by Kevin A. Merz, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To approve the retirement allowances for the month of March in the estimated amount of \$3,525,000.

ERRS Payroll

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To approve the payment of the ERRS employee payroll for March 3, 2017, in the amount of \$19,010.20, and for March 17, 2017 in the amount of \$18,724.06.

Cash Disbursement Warrant CD2017.03

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To approve the Cash Disbursement Warrant CD2017.03 for March 2017 as presented in the total amount of \$20,831.06.

Vendor	Amount
ASI Flex - Admin Fees - 2017.01	10.00
ASI Flex - Admin Fees - 2017.02	10.00
Boston Fire Extinguisher Company - 2017 Inspection	50.00
Comcast	355.47
Town of Danvers Electric - #201	121.58
Town of Danvers Electric - #202	188.83
Gemini Property Management - Removal of Surplus Property	210.50
Group Insurance Commission - Health 01/2017 - 03/2017 Estimate	8,410.14
H.C.O.P.T. Monthly Condo Fee	1,482.00
HIQ Computers - Invoice #114135	275.00
Harpers Payroll Service	48.34
Harpers Payroll Service	73.34
Law Office of Michael Sacco	6,035.00
Neopost - Mailing Tape	77.51

Neopost - 1/2017 - 03/2017	120.00
Neopost - 4/2017 - 6/2017	120.00
Purchase Power - Postage - Account Close Out	11.40
Rainmaker Spring LLC - Office Water	4.25
Red Sun Press - Annual Statement Envelopes	410.00
Retrievex Monthly Bill	293.82
Ricoh USA, Inc. - Monthly Copier Bill	306.73
S.J. Services, Inc. - Monthly Office Cleaning Bill	225.00
Veribanc - Instant Rating Subscription	40.00
Verizon Wireless	159.96
W.B. Mason Company, Inc. - Office Supplies	381.47
Wayne Alarm Systems, Inc. - Final Install Charge/Monthly Fee	1,410.72
Total	20,831.06

Cash Disbursement Warrant CD2017.03a

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To approve the Cash Disbursement Warrant CD2017.03a for wire transfers for March 2017 as presented in the total amount of \$3,000,000.00.

Date	Vendor	Amount
03/28/2017	PRIM - Transfer to Eastern Bank	3,000,000.00
	Total	3,000,000.00

Board Member Travel – Kevin A. Merz

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Abstain; and Susan J. Yaskell, Yes; To approve a reimbursement for Board member Kevin A. Merz in the amount of \$380.00, representing the registration fee for the Government Finance Officers Association Conference to be held from May 21, through May 24, 2017, as this conference is eligible for three PERAC training credits.

First Member Election

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call: Alan J. Benson, Abstain; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To approve for submission to the Advisory Council the following schedule for the election of the First Member to a three year term beginning on December 2, 2017:

June 19, 2017 – Letter to all qualified Chief Executives confirming their eligibility to vote and providing notice of the nomination process.

September 13, 2017 – Letter to all qualified Chief Executives opening the nomination process.

October 11, 2017 – Deadline for closing nominations.

October 17, 2017 – Distribution of ballots to all qualified Chief Executives.

November 8, 2017 – Deadline for submission of ballots. Ballots mailed in must be postmarked by this date. Ballots delivered by hand must be received and time stamped by the close of business on this date.

November 20, 2017 – Counting of ballots and certification of results to PERAC.

December 2, 2017 – First Member term of three years begins.

Disposal of Surplus Property

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To authorize the Executive Director to dispose of the following items as described in his memo dated March 27, 2017:

- A HP Color Printer
- A HP Laser Jet Printer
- A NBX Phone Console
- The former ERRS Server
- A Desktop Printer
- A 99 Inch Projector Screen
- A Toro 12 Volt Electric Trimmer
- A Phillips C527 Mini HIFI Stereo System and Speakers
- An Aiwa CSD-SR510 Dual Cassette Stereo System
- A Small Video Recorder Television

Policy Memo 17-31 - Disposal of Surplus Property

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To approve Policy Memo # 17-31 which amends

Policy Memo # 13-13 by changing after the phrase “resale or salvage value” in the first paragraph the amount of “\$5,000” to “\$10,000.”

Purchase of Tablets – Update ERRS Server

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To table the purchase of new tablets until such time as a new server and back-up system is installed.

Annual Disclosure Statements

Upon a motion by Vincent R. Malgeri, seconded by Alan J. Benson, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To acknowledge receipt of the 2016 Annual Disclosure Statements of the following firms:

Ascent Venture Partners
BlackRock
Boston Millennia Partners
Dahab Associates
Intercontinental
Labaton Sucharow
Levine Leichtman
Mass Technology
Principal Real Estate
Sentinel Realty
State Street Bank
TA Realty
Thornton Law Firm LLP

Membership Regulation

Mr. Kostro reviewed for the Board the next three agenda items, as he felt they were all related. He described the desire of the staff to establish a set series of rules which govern who is eligible for membership, how they earn service and what qualifies as regular compensation. Mr. Kostro said that the membership regulation was fairly straightforward and that the new regulation will bring the retirement system into compliance with the recent DeFelice decision which established that “once a member, always a member” is now the law of the land. He noted that the requirement for continuing membership was removed but a clarifying paragraph was added stating that an employee had to earn twenty hours per week of regular compensation in order to be eligible for membership.

Mr. Kostro reviewed the proposed rescission of the 2014 amendment to the creditable service regulation in which a member who fell below twenty hours per week was not eligible to earn creditable service. Since “once a member, always a member” keeps the

members in the retirement system and requires that the members make contributions, ERRS did not want to take deductions from a member but give them nothing in return. This proposed motion eliminates that requirement.

Mr. Kostro then reviewed the proposed new amendment to the creditable service regulation which requires that a member who no longer works twenty hours per week has all of their service of less than twenty hours per week, prorated. He said that the staff has spent significant time reviewing how this would work and how it could be tracked. In his opinion, the only way to prorate service for someone in this situation is to do it at the conclusion of their service. He noted that the retirement system has tried to keep member's creditable service up-to-date on an on-going basis so that they know what their benefit will be. He reminded the Board of cases where members had service issues that were not reflected on their account until they applied for a retirement, only to have the member find that they actually had less service than they thought, thus lowering their benefit. Mr. Kostro mentioned that it was the staff's strong recommendation that this proposed amendment be passed over and that a member's service which is below twenty hours be considered full credit, provided that they were always part-time.

Mr. Kostro then reviewed the issue of what qualifies as regular compensation. He pointed to PERAC's letter from 2015 in response to a complaint from the Town of Hamilton, which led to the elimination of certain wages for second positions being qualified as regular compensation. Mr. Kostro also reviewed the history of the prior Board admitting into membership individuals who did not meet the membership requirements at the time. He said that members who were made inactive under the old membership policy will now be active members under the "once a member, always a member" policy. However, their wages do not meet the standard to be considered regular compensation. His memo was to clarify what qualifies as regular compensation for members who only have a single position.

ERRS Counsel, Michael Sacco reviewed issues surrounding regular compensation as it is applied to call firefighters. Mr. Sacco suggested that a paragraph be added to the members annual statements notifying them that if they had a schedule that fell below twenty hours than that service will be prorated.

Board members suggested other opportunities to provide notice to members that their service may be prorated. Mr. Benson reviewed scenarios in which the proration of service would affect a member. He cited a recent example of a Boxford employee who spoke with him regarding call firefighter wages. He asked if this member resigned his primary job and had only the call firefighter position, would he be able to contribute to the retirement system? Mr. Sacco answered, no, the call firefighter wages would not qualify as regular compensation.

Mr. Kostro reminded the Board that the policy approved last year on regular compensation for second positions had a refund date of July 1, 2009. He noted that this has had an unintended effect on some members who have call firefighter or reserve police

wages and who were close to retirement. He said he did not know if the Board wanted to or not, but it could change the refund date of the policy from July 1, 2009 to date the policy went into effect in 2016, which would then mitigate the effect of this policy on those members who were close to retirement. No motion was made to make this suggested change.

Membership Regulation

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To submit to PERAC for approval a new membership regulation which states as follows:

Any individual who is permanently employed twenty (20) or more hours per week by a single member unit of the Essex Regional Retirement System ("System") and who receives at least \$5,000 in wages as defined in M.G.L. c. 32, § 1 and 840 CMR 15.03 shall become a member of the System.

For the purpose of this regulation, "permanently employed 20 hours per week" shall mean that the employee is guaranteed 20 hours of weekly compensation each and every week.

Any elected official who earns at least \$5,000 in wages may elect to become a member of the System within ninety days after the date of assuming office.

Creditable Service Regulation – Rescind

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To remove the following amendment approved on August 13, 2014 from the creditable service regulation, subject to approval by PERAC:

Any member in service who is not permanently employed, either by contract or written or oral agreement, at least 20 hours per week and earning at least \$5,000 in regular compensation per year will not receive any creditable service.

Creditable Service Regulation – Amend

Prior to the vote, Mr. Kostro stated that if the staff had a vote they would ask the Board to pass over this item. Upon a motion by Alan J. Benson, seconded by Kevin A. Merz, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To submit to PERAC for approval the following amendment to the creditable service regulation:

Any member in service, whose status is changed so that they are employed less than 20 hours per week, but who continues to receive at least \$5,000 in regular compensation per year as defined in M.G.L. c. 32, § 1 and 840 CMR 15.03, shall receive prorated credit based on the full-time equivalency of 150 hours being the

equivalent of one (1) month of service. Such proration shall be effective as of the date upon which the member was no longer permanently employed at least 20 hours per week. Any member who returns to being permanently employed at least 20 hours per week shall receive service credit pursuant to the creditable service regulation of the retirement system.

Regular Compensation – Base Compensation

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; That the memo from the Executive Director to ERRS staff defining what constitutes regular compensation is approved as amended.

Mr. Benson mentioned that he understands Mr. Kostro's concern about the creditable service regulation and the proration of service and, after a year, if Mr. Kostro needs to come back and have this played with a little, he understands the administrative challenge of this regulation.

The Board took a break at 9:43 a.m.

The Board returned to open session at 9:50 a.m.

Executive Session

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To move to executive session to act on the disability applications of Anne Bushnell and Kenneth Trofatter, and to remain in executive session to discuss strategy with respect to litigation in the matter of the retirement system versus the Justices of the Salem District Court and John Swallow, as an open meeting may have a detrimental effect on the litigating position of the retirement system.

Ms. Yaskell advised that the Board will return to open session upon the conclusion of the executive session only for the purpose of adjourning the meeting.

The Board moved into executive session at 9:50 a.m.

The Board returned to open session at 10:34 a.m.

While in executive session, the Board voted as follows:

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To approve the accidental disability application of Ann Bushnell.

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To deny the accidental disability application of Kenneth Trofatter.

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; That upon receipt of all medical records, to request that the Public Employee Retirement Administration Commission schedule a regional medical panel for the ordinary disability application of Kenneth Trofatter and to authorize Counsel to submit such questions as he may deem relevant to this application.


Motion to Adjourn

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call: Alan J. Benson, Yes; H. Joseph Maney, Yes; Vincent R. Malgeri, Yes; Kevin A. Merz, Yes; and Susan J. Yaskell, Yes; To adjourn the meeting

The meeting was adjourned at 10:34 a.m.



Alan J. Benson



H. Joseph Maney



Susan J. Yaskell



Vincent R. Malgeri



Kevin A. Merz

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
Executive Director's Schedule for March and April
Intercontinental Distribution Letter dated March 10, 2017
Labaton Sucharow Termination Acknowledgement
Levine Leichtman Fund III Distribution Letter dated February 28, 2017
Levine Leichtman Fund IV Distribution Letter dated February 28, 2017
Monthly Bank Reconciliation Report - February 2017
Monthly Fund Transfers
PERAC Memo 15/2017 - STS False Investor Invitation
PERAC Notice of 3% COLA Increase
PERAC PROSPER Account Application
PRIT Fund Performance Report for February 2017