

**ESSEX REGIONAL RETIREMENT BOARD
NOVEMBER 21, 2016**

At a regular meeting of the Essex Regional Retirement System (ERRS) held on Monday, November 21, 2016 at 491 Maple Street, Suite 201 at 8:30 a.m. the following Board members were present for all or some of the meeting: H. Joseph Maney (participating remotely), Susan J. Yaskell, Vincent R. Malgeri, and Alan J. Benson.

Also in attendance for all or some of the meeting were:

Charles Kostro, ERRS Executive Director

Michael Sacco, ERRS General Counsel

Joan Tindle

Joanne Tindle

Bruce Klinger

Alan Brand, TA Realty

Nicole Dutra Grinnell, TA Realty

Devon Sullivan, Intercontinental

Wai Cheong Tang

Eric Chisholm, Attorney for Mr. Tang

Evonne, Translator for Mr. Tang

ERRS Board Acting Chair Susan J. Yaskell called the meeting to order at 8:37 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 Charles Kostro, the Executive Director, 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 telephone and 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.

Approval of Board Minutes

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; and Susan J. Yaskell, Yes; To approve the minutes of the regular and executive session of the meeting of October 24, 2016.

Public Comment Period

Joan Tindle and Joanne Tindle explained the status of their efforts to obtain medical documentation to refute the findings of the PERAC Medical Panel pursuant to their application for accidental death benefits under M.G.L. Chapter 32 Sections 9 and 94. They requested a copy of the statute and asked if it had changed since the time of Mr. Tindle's disability retirement application. Mr. Malgeri read the relevant sections of the statute and the Board discussed that they were unaware of any changes in the statute which may affect their application. Mr. Malgeri spoke to the requirements of causation under the statute and reviewed the PERAC medical panel process. He discussed the limitations of the Board's options in light of the medical panel conclusion and that the Board had granted additional time for medical evidence to be submitted to refute the medical panel. Joan Tindle described the difficulty in obtaining medical information to refute the medical panel conclusion. Mr. Benson suggested that they obtain legal counsel who could assist in obtaining medical documentation. He discussed how the Board must rely on the medical panel's opinions. Discussion ensued regarding the options available and the difference between the minimum survivor benefit and the Section 9 benefit.

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; and Susan J. Yaskell, Yes; To table to the next regular meeting of the Board the application of Joan Tindle for survivor benefits pursuant to Massachusetts General Law Chapter 32, Section 9. Mr. Kostro indicated that the next meeting was scheduled for December 19th but may be changed by the Board later in this meeting. He promised that the retirement system would contact Mrs. Tindle upon the conclusion of this meeting to advise her of the December meeting date.

Bruce Klinger approached the Board to discuss communication issues with PERAC concerning the reporting requirements pursuant to M.G.L. Chapter 32, Section 91A. He indicated that he tries to comply with the requirements of the statute but that he has repeated communication problems with PERAC. He described a one month termination of his benefits in 2007 that he felt was unjustified due to PERAC's poor ability to communicate with him. Mr. Benson explained that the Board is merely following PERAC's direction. Mr. Klinger stated that he understood that and does not blame the Board, but was interested in recouping his lost month of benefits from 2007. Mr. Benson suggested he contact PERAC. Mr. Kostro explained that the retirement board is responsible for the termination of a benefit and if the Board followed the proper procedure in 2007, Mr. Klinger would have received notice of a hearing, much as he did for this process. After the hearing, if the Board voted to terminate his retirement benefit,

he would have been notified of his right to appeal. Mr. Malgeri explained that if he did receive his appeal rights in 2007 he would have had to file his appeal within 15 days of receipt of the letter.

Dahab Associates Investment Performance

Seth Lynn and Greg McNellie presented the third quarter 2016 investment performance report for ERRS. Mr. Lynn noted that Board member Kevin Merz had asked at the meeting reviewing the second quarter 2016 investment performance about bond pricing volatility and that he prepared a chart to review if the Board wishes. The consensus of the Board was to review this at the December meeting when Mr. Merz would be present. Mr. Lynn and Mr. McNellie reviewed economic performance in the third quarter and noted that ERRS performed well and with the contributions in the third quarter, ERRS' assets were now over \$400 million for the first time. Mr. Lynn noted that both TA Realty and Intercontinental were going to present to the Board shortly and that TA Realty in particular was a fund that has had a first class performance. Mr. Kostro reviewed for the Board the process for closing out the custodial account with State Street Bank and Trust and turning this account over to Eastern Bank. Mr. Kostro noted that the funds moving from State Street Bank and Trust to Eastern Bank, and future distributions to be received from the privately managed funds, will be used to support operating expenses until it is necessary to request a transfer from the PRIT cash fund.

TA Realty

Representatives from TA Realty reviewed personnel changes at the firm and discussed their investment philosophy and performance. It was noted that Fund IX exhibits the characteristics typical of a fund reaching maturity and that the fund is scheduled to end in 2021. They noted that Fund IX continues to perform well and is one of the better funds.

Intercontinental

Devon Sullivan stated that this fund is down to one remaining asset, the Sterling Regency property in Cary, North Carolina. Mr. Sullivan provided a history of the fund, with the original investment having been made in 2001. He noted that the Sterling property was under agreement in August but the deal fell through. He said that there is an anticipated distribution of \$175,000 to \$185,000 coming to ERRS upon the sale of this property. While the recession of 2008 negatively affected the original goal of a 10% return for this fund, at the end the actual return will likely be approximately 6%. He noted that it has been a rollercoaster ride with the fund but it will meet the revised goal of returning between 5-6%. This fund once controlled 66 properties and is now down to one.

The Board took a break at 10:02 a.m.

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

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; and Susan J. Yaskell, Yes; To move to executive session to act on the disability application of Wai Cheong Tang and to remain in executive session to discuss strategy with respect to litigation as an open session may have a detrimental effect on the litigating position of the retirement system.

The Chair advised that upon the completion of the executive session the Board will be returning to open session to complete the items remaining on the agenda.

The Board entered into executive session at 10:11 a.m.

The Board returned to open session at 11:04 a.m.

While in executive session, the Board voted as follows:

Disability Application – Wai Cheong Tang

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; and Susan J. Yaskell, Yes; To request that the Public Employee Retirement Administration Commission schedule a regional medical panel consisting of three separate examinations for Wai Cheong Tang and to authorize Counsel to submit such questions as he may deem relevant to this application and that this vote of the Board be recorded in the open session minutes of this meeting.

Recording Executive Session Votes in Open Session

Mr. Maney left the meeting.

Mr. Kostro described the need to record votes taken in executive session in the open session minutes, and reviewed the Board's prior efforts in this regard. He noted that Mr. Sacco has suggested that the Board could vote upon leaving executive session, that votes taken in executive session be recorded in the open session minutes. Mr. Benson questioned whether this would make the executive session minutes public, defeating the purpose of the executive session. Mr. Sacco noted that it is the discussion in the executive session that is protected and that recording the votes in open session provides transparency relative to the subject matter discussed and whether it was an appropriate use of executive session. 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; and Susan J. Yaskell, Yes; That the votes in the executive session be transcribed in the open session minutes.

Board Meeting Dates

Mr. Kostro described the challenges in preparing for the earlier meeting in December and discussed whether Monday morning meetings should continue in 2017, or if the Board wishes to move the meetings to another day. He indicated that Mr. Sacco's availability should be paramount in considering whether to move the meeting date. Based on his discussion with Mr. Sacco, he felt that the fourth Monday of the month should remain the day of the meeting. (Mr. Maney returned to the meeting.) Mr. Malgeri discussed that his monthly meeting of the Greater Lawrence Sanitary District Retirement Board was on Wednesday's but that he would make himself available for the ERRS Board meetings. The Board discussed the importance of having a meeting date that allowed Michael Sacco to attend on a regular basis. Discussion ensued that keeping the December meeting on the 19th and the regular meeting on Monday mornings was preferable. Mr. Kostro explained that the staff will make this work and will review other options to prepare for the meeting on December 19th. Mr. Benson clarified that a motion at the meeting on the 19th would be a general authorization to pay bills and that the actual payments will be voted on by the Board at the January meeting and that this was consistent with recent changes in municipal law.

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; and Susan J. Yaskell, Yes; That all of the required documentation has been received to enroll the following named employees in the Essex Regional Retirement System, a list of forty-four names beginning with Jane A. Andon and ending with Caroline A. Zaremba.

<u>Name</u>	<u>Unit Name</u>	<u>Department</u>	<u>Hire Date</u>	<u>Group</u>
Andon, Jane A.	North Andover	School	10/17/2016	1
Ayres, Michaela P.	Georgetown	School	10/03/2016	1
Blake, Tiffany A.	North Andover	Water	09/06/2016	1
Burns, Lorraine A.	North Andover	School	10/31/2016	1
Cleary, Julie G.	Ipswich	Utilities	10/31/2016	1
Conley, III, Edward G.	Manchester	Police	10/03/2016	4
Conte, Andrew E.	Ipswich	School	10/20/2016	1
Cowles, Joy M.	Pentucket RSD	School	08/29/2016	1
Dingle, Brittany L.	Lynnfield	School	10/04/2016	1
Dixey, Cynthia A.	Masconomet RSD	School	10/17/2016	1
Dooley, Jane L.	Hamilton	Assessors & Staff	10/25/2016	1
Finnigan, Victoria L.	Hamilton	Treasurer & Staff	09/27/2016	1
Griffin, James J.	Manchester	DPW	10/24/2016	1
Guillermo, Juan R.	Salisbury	Police	09/23/2016	4
Hernandez, Dempsey J.	North Andover HA	HA Staff	10/02/2016	1
Herrick-Stella, Cheryl A.	Ipswich	Finance	10/03/2016	1
James, Katrin	Pentucket RSD	School	08/29/2016	1
Joniec, Raymond J.	North Andover	School	08/31/2016	1

Kramlinger, George D.	Manchester	Fire	10/03/2016	4
Laroche, Nicole C.	Ipswich	School	08/29/2016	1
Mashburn, Kathleen M.	Georgetown	School	09/08/2016	1
Messina, Joseph S.	Masconomet RSD	School	08/31/2016	1
Mooers, Gabriella V.	Middleton	School	10/04/2016	1
Nicholaou, Taylor R.	North Andover	School	09/20/2016	1
O'Neil, Brian C.	Rockport	Water	10/19/2016	1
Peabody, Nathaniel J.	Boxford	Police	10/03/2016	4
Peterson, Catharine R.	Hamilton-Wenham RSD	School	08/29/2016	1
Pomilla, Lorelee, S.	Boxford	CPS Dispatchers	10/27/2016	1
Rivet, Matthew F.	North Andover	School	09/29/2016	1
Sampieri, Jillian A.	Hamilton-Wenham RSD	School	10/19/2016	1
Savage, Ryan J.	Tri-Town	School	10/11/2016	1
Schetne, Matthew R.	Ipswich	School	09/19/2016	1
Schumaker, Sara E.	Triton RSD	School	09/12/2016	1
Sifferlen, Matthew J.	North Andover	Firefighter	10/31/2016	4
Smith, Benjamin R.	Rockport	DPW	10/24/2016	1
Stewart, Dawn M.	Georgetown	Treasurer & Staff	09/19/2016	1
Sullivan, Daniel C.	Pentucket RSD	School	08/29/2016	1
Thibert, Rhonda L.	North Andover	School	08/31/2016	1
Torpey, Michelle J.	North Andover	School	08/31/2016	1
Votano, Salvatore W.	Ipswich	Building	10/01/2016	1
Wahlberg,Carolynn F.	North Andover	School	08/15/2016	1
Warren, Julia O.	Triton RSD	School	10/03/2016	1
Willmonton, Guy P.	Triton RSD	School	09/13/2016	1
Zaremba, Caroline A.	Lynnfield	School	08/31/2016	1

Late Entry into Membership – Donna McKay

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; and Susan J. Yaskell, Yes; That pursuant to Massachusetts General Law, Chapter 32, Section 3(3), Donna McKay, a member from the Manchester-Essex Regional School District shall be granted late entry into membership as of November 6, 2000.

New Retirements

Mr. Kostro reviewed for the Board the staff's application of the new regular compensation policy as it was applied to David E. Shanahan. As Mr. Shanahan filed his retirement application on September 7, 2016 and as the regular compensation policy was not effective until September 26, 2016, Mr. Shanahan's earnings as a reserve police officer were permitted to be included in the calculation of his retirement benefit. Mr. Kostro noted that he is unaware of any other member who would be in a similar situation. If, however, another member is in a similar situation, the retirement benefit for that

member will be calculated the same as for Mr. Shanahan. Otherwise, a member who receives reserve police officer and call fire wages for a second position will likely not have those wages considered as regular compensation unless the requirements of the new policy are met.

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; and Susan J. Yaskell, Yes; That the retirement system staff has verified that the necessary documentation has been received and that the following six members of the Essex Regional Retirement System be awarded superannuation retirement benefits calculated as follows:

1. John T. Joseph, Town of Rockport, D.P.W. Skilled Craftsman, Group 1
Effective Retirement Date: October 28, 2016
Monthly Retirement Allowance: \$2,160.63
Annual Retirement Allowance: \$25,927.56
2. John F. Morse, Masconomet Regional School District, I.T. Technician, Group 1
Effective Retirement Date: October 7, 2016
Monthly Retirement Allowance: \$2,634.99
Annual Retirement Allowance: \$31,619.88
3. R. John Ryan, Jr., Town of Ipswich, Grants Manager, Group 1
Effective Retirement Date: October 22, 2016
Monthly Retirement Allowance: \$985.74
Annual Retirement Allowance: \$11,828.88
4. David E. Shanahan, Town of Georgetown, Equipment Operator, Group 1
Effective Retirement Date: September 30, 2016
Monthly Retirement Allowance: \$2,722.20
Annual Retirement Allowance: \$32,666.40
5. Pamela J. Tassinari, Triton Regional School District, Instructional Assistant, Group 1
Effective Retirement Date: November 7, 2016
Monthly Retirement Allowance: \$472.26
Annual Retirement Allowance: \$5,667.12
6. Brian M. Williams, Town of Boxford, Patrolman, Group 4
Effective Retirement Date: September 30, 2016
Monthly Retirement Allowance: \$4,191.12
Annual Retirement Allowance: \$50,293.44

Disability Benefit Award – Donald George

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

1. Donald R. George, Town of Ipswich, Firefighter, Group 4
Effective Retirement Date: July 5, 2015
Monthly Retirement Allowance: \$5,065.05
Annual Retirement Allowance: \$60,780.60

Disability Benefit Award – Glenn McKiel

Mr. Kostro noted that the approval letter from PERAC for Chief McKiel's retirement calculation had not yet been received. However, if the Board does not approve his benefit at this meeting, the earliest it can be approved is at the December meeting. This would mean the Chief has waited four months for his first benefit payment as his disability application was approved by the Board at the August meeting. Mr. Kostro noted that the Board will be asked later in the meeting to approve a policy permitting the retirement system to pay disability benefits in advance of the PERAC approval letter for the calculation. Mr. Kostro stated that rather than do this for selected members, that a general rule which made this option available to all members was, in his opinion, the correct and fair way to proceed.

Upon a motion by Vincent R. Malgeri, seconded by H. Joseph Maney, the Board voted by roll call: Alan J. Benson, Abstain; Vincent R. Malgeri, Yes; H. Joseph Maney, Yes; and Susan J. Yaskell, Yes; That in anticipation of final approval by PERAC, Glenn F. McKiel shall be awarded an accidental disability retirement benefit calculated as follows:

1. Glenn F. McKiel, Town of Manchester, Chief of Police, Group 4
Effective Retirement Date: September 30, 2016
Monthly Retirement Allowance: \$8,051.55
Annual Retirement Allowance: \$96,618.60

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; and Susan J. Yaskell, Yes; That the retirement system staff has verified that the required payments having been received, that the following member of the Essex Regional Retirement System be awarded creditable service as follows:

1. James Zabelski shall be awarded five months of creditable service for the purchase of prior reserve police service from October 11, 1986 to March 22, 1987 with the Town of Hamilton.

Acceptance of Liability

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; and Susan J. Yaskell, Yes; That the Board accepts the recommendation of the Executive Director to accept liability for past service rendered by the following individual as described below:

1. Judith L. Crane, for eight years and one month of liability for refunded service with the Essex Regional Retirement System from March 3, 2003 to April 29, 2011.

Denial of Liability

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; and Susan J. Yaskell, Yes; That the Board accepts the recommendation of the Executive Director to deny liability for past service rendered by the following two individuals as described below:

1. Jodi Anastos, as requested by the State Board of Retirement, for service rendered from October 14, 1986 to June 16, 1987, 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.
2. Barbara K. Simmons, as requested by the Massachusetts Teachers Retirement System, for service rendered from September 1990 to May 29, 2005, 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 Vincent R. Malgeri, the Board voted by roll call: Alan J. Benson, Yes; Vincent R. Malgeri, Yes; H. Joseph Maney, Yes; and Susan J. Yaskell, Yes; To approve the warrant for November 2016, to refund, rollover and transfer the total accumulated deductions for twenty-three members beginning with Janice Ayala and ending with Angel A. Wills in the total amount of \$349,295.48.

Name	Type	Board or Institution
Ayala, Janice	Transfer	Lawrence Retirement Board
Bentley, Donavin	Transfer	State Retirement Board
Bonanno, Elaine M.	Rollover	MFS Heritage Trust Trustee
Bonin, Danielle N.	Transfer	Andover Retirement Board
Brodie, Devin H.	Transfer	Newburyport Retirement Board
Brown, Roxanne S.	Transfer	Middlesex County Retirement Board
Codair, Heather K.	Withdrawal	
Costa, Adrienne P.	Transfer	Danvers Retirement Board
Donnelly, Patricia A.	Transfer	Andover Retirement Board
Fogg, Colleen	Transfer	Andover Retirement Board
Fouhey-Hanson, Shannon	Transfer	Mass Teachers Retirement System
Hebert, Michelle M.	Transfer	Lawrence Retirement Board
McCallops, Mildred A.	Transfer	Mass Teachers Retirement System
McCann, Anne K.	Rollover	Fidelity Investments - ECM
O'Hare, Margaret L.	Transfer	Hampden County Regional Retirement
Poole, Donald C.	Transfer	Salem Retirement Board
Reed, Sean R.	Rollover	TIAA-CREF
Trubiano, Nathan W.	Transfer	Mass Teachers Retirement System
Tumbiolo, Maria P.	Withdrawal	
Vartanian, Debra A.	Transfer	Middlesex County Retirement Board
Warner, Dawn	Rollover	Vanguard Fiduciary Trust
Willis, Matthew J.	Transfer	Mass Teachers Retirement System
Wills, Angel A.	Transfer	Middlesex County Retirement Board

October Retirees Payroll

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; and Susan J. Yaskell, Yes; To approve the retirement allowances for the month of October in the actual amount of \$3,505,225.30.

November Retirees Payroll

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; and

Susan J. Yaskell, Yes; To approve the retirement allowances for the month of November in the approximate amount of \$3,525,000.00.

ERRS Payroll

Upon a motion by Vincent R. Malgeri, seconded by Alan J. Benson, the Board voted by roll call: Alan J. Benson, Yes; Vincent R. Malgeri, Yes; H. Joseph Maney, Yes; and Susan J. Yaskell, Yes; To approve the payment of the ERRS employee payroll for October 28, 2016, in the amount of \$20,371.17, and for November 10, 2016, in the amount of \$18,496.18.

Cash Disbursement Warrant CD2016.11

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; and Susan J. Yaskell, Yes; To approve the Cash Disbursement Warrant CD2016.11 for November 2016 as presented below in the total amount of \$21,665.92.

Vendor	Amount
ASI Flexible Spending Account - Administrative Fee	10.00
Town of Danvers Electric - #201	131.73
Town of Danvers Electric - #202	195.25
H.C.O.P.T. - Condo Fee	1,482.00
HIQ Computers - Invoice #113046	220.00
Harper's Payroll Service - 2016.11.7	48.34
Harper's Payroll Service - 2016.10.25	85.59
Kingsbury Press - 2016 1099 Forms	635.38
Law Office of Michael Sacco - 2016.10	11,252.86
Matthews Cleaning & Painting - 2016.11	282.00
Rainmaker Spring LLC - Office Water	17.00
Retrievevex - 2016.11	234.36
Ricoh USA, Inc. - Copier Lease - 2016.10	306.73
Stone Consulting, Inc. - 08/01/16-09/30/16	3,000.00
TAB Products Co. LLC	763.40
Verizon Wireless	159.96
Virtual Town Hall Holdings, LLC - Website Support Fee	2,750.00
W.B. Mason Company, Inc. - Office Supplies	91.32
Total	21,665.92

Cash Disbursement Warrant CD2016.11a

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; and

Susan J. Yaskell, Yes; To approve the Cash Disbursement Warrant CD2016.11a for wire transfers for November 2016 as presented below in the total amount of \$3,451,932.00.

Date	Vendor	Amount
11/08/2016	Principal Realty – 3Q Management Fees	\$1,932.00
11/28/2016	State Street Bank and Trust Wire Transfer to Eastern Bank	\$3,450,000.00
	Total	\$3,451,932.00

Cash Disbursement Warrant CD2016.11b

Upon a motion by Vincent R. Malgeri, seconded by Alan J. Benson, the Board voted by roll call: Alan J. Benson, Yes; Vincent R. Malgeri, Yes; H. Joseph Maney, Yes; and Susan J. Yaskell, Yes; To approve the Cash Disbursement Warrant CD2016.11b for November 2016 as presented below in the total amount of \$340.38.

Date	Vendor	Amount
11/21/2016	Comcast – 2016.12	\$340.38
	Total	\$340.38

Policy Memo #16-29 – Disability Benefit Awards Pending PERAC Approval

Mr. Kostro explained that this policy was to permit the payment of benefits after approval of a disability application by the Board and PERAC, but prior to receipt of the calculation approval letter from PERAC. Mr. Kostro said that this was the practice at some other retirement boards and noted that it will permit members to receive the disability retirement benefit sooner than under the Board's current practice. He recommended adopting a policy so that this process would apply equally to all members approved for a disability application rather than on the current ad hoc basis. Mr. Benson raised several questions regarding the process and how Mr. Kostro anticipated implementing this policy. Mrs. Yaskell asked if the Board would act only after receiving everything that was legally required. Mr. Kostro explained that this policy applies only to the calculation of the benefit and that the calculation is submitted to PERAC only after the Board and PERAC have approved the disability benefit. Mr. Malgeri asked for clarification regarding the reference to the form cited in the policy.

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; and Susan J. Yaskell, Yes; To approve the following policy for the processing of disability benefits:

The retirement system may pay a benefit to a member who has been approved for a disability retirement benefit prior to receipt from the Public Employee Retirement Administration Commission (PERAC) of the letter approving the benefit calculation. However, no payment will be approved unless PERAC shall have first returned to the Board an approved form entitled Disability Transmission to the Commission.

Upon receipt of the letter from PERAC approving the disability retirement benefit calculation, such letter shall be submitted to the Board for their information. Any adjustment required to a disability retirement benefit previously approved, shall be submitted for approval by a vote of the Board.

2017 Holiday Office Closings

Mr. Kostro presented the list of holidays on which the offices of the retirement system will be closed in 2017. Mrs. Yaskell asked if this is the same holidays as those proposed for 2016. Mr. Kostro replied that it is the same holidays and the same number of days. Mr. Benson noted that his town does not offer the day after Thanksgiving but that a lot of towns do so he did not see any problem with the proposed list.

Upon a motion by Vincent R. Malgeri, seconded by Alan J. Benson, the Board voted by roll call: Alan J. Benson, Yes; Vincent R. Malgeri, Yes; H. Joseph Maney, Yes; and Susan J. Yaskell, Yes; To approve the following twelve days as paid holidays for the ERRS staff in 2017:

January 2, 2017	–	New Year's Day
January 16, 2017	–	Martin Luther King Day
February 20, 2017	–	President's Day
April 17, 2017	–	Patriots' Day
May 29, 2017	–	Memorial Day
July 4, 2017	–	Fourth of July
September 4, 2017	–	Labor Day
October 9, 2017	–	Columbus Day
November 10, 2017	–	Veterans' Day
November 23, 2017	–	Thanksgiving Day
November 24, 2017	–	Day after Thanksgiving Day
December 25, 2017	–	Christmas Day

Board Secretary Hiring Status

Mr. Kostro reviewed for the Board the opinion of Murphy, Hesse, Toomey and Lehane that the position of a Board Secretary should be as an employee of the retirement system and not as an independent contractor. Mr. Kostro reviewed the history of the hiring of the previous Board Secretary in 2010. Two options are to use an existing employee or to hire an employee to perform this function on an hourly basis. Mr. Kostro raised a concern about hiring a new employee to be paid on an hourly basis where the bulk of this work will be performed off-site. Mr. Kostro stated that he was uneasy about approving a timesheet and payments based on hours worked that he could not verify. Mr. Kostro noted that if necessary, he can continue to take the meeting minutes if the Board wishes.

Mr. Benson stated he did not think it appropriate for the Executive Director to act as the minute-taker and that it was more important that he advise the Board during the meeting.

Mr. Malgeri concurred and Mr. Benson described his experience in advocating for a minutes-taker in his position. Mr. Benson suggested that the towns be contacted and asked what their rates are for a Board Secretary. He noted that he signs off on the Board Secretary's timesheet in Boxford and stated that a rule of thumb is that the number of hours of the meeting is the same number of hours necessary to transcribe the minutes. Mrs. Yaskell concurred that the Executive Director should not be taking the meeting minutes. Mr. Malgeri commented on the difficulty of having to take the minutes of meetings in Lawrence. Mr. Benson commented that his Board Secretary makes \$15.00 per hour and that this translates into half of what ERRS had been paying, and he noted that there should be plenty of interest in this position, although a day meeting may limit interest. Regarding the hiring process, the Board recommended that the Executive Director conduct the search and interviews and hire a candidate.

PRIM Investor Advisory Committee

Mr. Kostro provided the Board with a review of the first PRIM Investor Advisory Committee meeting held on November 4, 2016. He noted that he was selected along with six other representatives from MACRS whose boards invest in the PRIT Fund. Mr. Kostro stated that the agenda and presentation were included in the Board's packet and that he felt that the PRIM staff did an excellent job in preparing for this meeting and that the meeting itself was very productive.

March Payroll Coordinator Meeting

Mr. Kostro described a proposed training session for payroll coordinators tentatively planned for March. He described the efforts at communicating with the units over the years about the importance of changes in a member's status being communicated to the retirement system. For instance, advisories have been included in newsletters, on the member's annual statements, circulated via email and brought up at every recent Advisory Council meeting. Each of these communications stress that a change in a member's status needs to be conveyed to the retirement system. And this does not include the communications with the units in this regard that occur during the regular course of business. Despite these efforts, Mr. Kostro noted that the retirement system continues to discover breaks or changes in a member's service that were never conveyed to the retirement system and which often have a significantly negative effect on a member's retirement. In the absence of an employer notifying the retirement system that a member has had a change in status, the only other way to discover the change is if the retirement system notices a change in a member's deductions from one month to the next. Mr. Kostro described the difficulty of tracking changes in a member's status through monthly deduction reports involving three thousand members. (Mr. Maney left the meeting at this time.) Mrs. Yaskell suggested that a short blurb be included in a regular communication to the units asking for changes in a member's status. Mr. Kostro noted that these types of additional requests can be sent, but this still requires the units to communicate with the retirement system. Mr. Kostro reminded the Board that this past year a statement was added to the annual salary survey asking that units confirm that all the members listed met the requirements for membership. He stated that only one unit

raised a concern about two members and this is out of forty-seven units and three thousand members.

Motion to Adjourn

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

The meeting was adjourned at 11:48 a.m.



H. Joseph Maney



Susan J. Yaskell



Vincent R. Malgeri



Alan J. Benson

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 30, 2016
Eastern Bank Reconciliation Report for October 2016
Fund Transfers for October 2016
Fund Transfers for November 2016
Levine Leichtman Distribution Letter dated October 31, 2016
Levine Leichtman Transaction Notice
Notice of Beneficiary Form
Notice to Member of Service Reduction
PERAC Funding Schedule Approval Request Letter dated October 25, 2016
PERAC Investment Fee Book 2015
PERAC Memo 22/2016 Second Response
PERAC Newsflash dated October 27, 2016
PERAC Newsflash dated November 16, 2016
PRIM Private Equity Vintage Fund Notice
Principal Real Estate Distribution Notice dated October 21, 2016
Principal Real Estate Q3 Investor Statement
PRIT Fund Performance Report for September 2016
Sentinel Letter Notifying of Organizational Change
TA Realty Notice of Distribution dated November 15, 2016
TA Realty Notice of Distribution dated October 21, 2016