

**ESSEX REGIONAL RETIREMENT BOARD
MARCH 30, 2015**

At a regular monthly meeting of the Essex Regional Retirement System (ERRS) held on Monday, March 30, 2015 at 491 Maple Street, Suite 201 at 8:30 a.m. the following Board members were present for all or some of the meeting: Kevin A. Merz, H. Joseph Maney, Susan J. Yaskell, Vincent R. Malgeri.

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

Jane Dooley, Board Secretary

Charles E. Kostro, ERRS Executive Director

Michael Sacco, ERRS General Counsel, via conference call

ERRS Board Chairman H. Joseph Maney called the meeting to order at 8:30 a.m. The Board said the pledge of allegiance.

Opening Statement by the Chair – Recording of the Meeting

In accordance with the open meeting law, this is to notify attendees that this meeting is being recorded by the secretary to the Board.

Approval of Board Minutes – Regular/Executive Session of February 23, 2015

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted 3-0-1, with Kevin A. Merz abstaining since he did not attend, to approve the minutes of the regular and executive session of the meeting of February 23, 2015.

Public Comment Period

None.

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 as follows:

Bell III, Thomas R.	Triton RSD	School	02/23/15	1
Beninati, Kevin E.	Georgetown	School	12/10/14	1
Bentley, Donavin K.	Essex Regional Retire.	Retirement	02/02/15	1
Blair, Elicia L.	Pentucket RSD	School	12/22/14	1
Boudreau, James M.	Lynnfield	Selectmen	01/01/15	1
Brown Jr., Robert B.	Wenham	Electric	03/16/15	2
Brown, Robert J.	Hamilton-Wenham RSD	School	02/23/15	1
Chadwick, Holly E.	Rowley	School	11/13/14	1
Cosgrove, Caitlin P.	Triton RSD	School	01/13/15	1

Cupka, Stacey	North Andover	School	11/03/14	1
D'Antonio, David R.	Rockport	Library	02/01/15	1
DelVecchio, Matthew R.	Ipswich	School	01/12/15	1
Fowler, Patricia A.	Salisbury	Housing	01/05/15	1
Gagnon, Marc J.	North Andover	Police	12/20/14	1
Hano, Michelle	Hamilton-Wenham RSD	School	03/16/15	1
Hutchins, Dana C.	Ipswich	School	01/05/15	1
Joniec III, Raymond J.	Georgetown	School	01/21/15	1
Joyce, John H.	Wenham	Fire	02/18/15	4
Ketchopulos, Leah D.	Rockport	School	01/12/15	1
Kraemer, Amy E.	Groveland	Library	03/16/15	1
Lemire, Matthew J.	Ipswich	Police	02/02/15	4
Luciano, Gina M.	Georgetown	School	12/22/14	1
Murphy, Brian J.	Ipswich	Police	02/02/15	4
O'Connell, David J.	Lynnfield	Public Works	02/23/15	1
Paquette, Michael	Ipswich	School	01/02/15	1
Poretta, Anthony C.	Ipswich	Water	01/20/15	1
Savage III, John A.	West Newbury	Public Works	02/17/15	1
Sindoni, Joshua A.	Groveland	Police	02/01/15	4
Verga, Peter G.	Rockport	School	02/02/15	1
Vessey, Haley L.	Hamilton-Wenham RSD	School	01/08/15	1
Waldron, Jason M.	Hamilton-Wenham RSD	Facilities	12/15/14	1
Webber, Mark A.	Salisbury	Housing	01/08/15	1
Wheeler, Glenn W.	Rockport	Accounting	01/20/15	1
Whittier, Nathaniel S.	Lynnfield	School	01/05/15	1
Wyman, Robert A.	Georgetown	School	12/22/14	1
Young, Jared W.	Georgetown	School	02/09/15	1

New Retirements

Upon a motion by Kevin A. Merz, seconded by Susan J. Yaskell, the Board voted 4-0 that the following named members of the Essex Regional Retirement System receive the superannuation retirement benefits calculated as follows:

(Discussion ensued about details associated with Kerry Stickney's retirement relative to his buying back call firefighter service which he has paid in full and exception was made in this circumstance through consultation with ERRS General Counsel Michael Sacco due to ERRS error which retirement system has corrected.)

1. Joanne Camire, North Andover Housing Authority, Executive Director, Group 1
Effective Date: January 31, 2015
Monthly Retirement Allowance: \$3,358.17
Annual Retirement Allowance: \$40,298.04
2. Victor Eugene Dyer, II, Ipswich Public Library, Director, Group 1
Effective Date: January 31, 2015

Monthly Retirement Allowance: \$5,537.17
Annual Retirement Allowance: \$66,446.04

3. Joanne Moran, North Andover Public Schools, Administrative Assistant, Group 1
Effective Date: January 31, 2015
Monthly Retirement Allowance: \$1,545.73
Annual Retirement Allowance: \$18,548.76
4. Ronald V. Patton, Lynnfield Board of Assessors, Chairman, Group 1
Effective Date: February 26, 2015
Monthly Retirement Allowance: \$133.89
Annual Retirement Allowance: \$1,606.68
5. Darlene Scutt, Pentucket Regional School District, Para/CAN, Group 1
Effective Date: March 28, 2015
Monthly Retirement Allowance: \$406.75
Annual Retirement Allowance: \$4,881.00
6. Kerry Stickney, Boxford, Fire Chief, Group 4
Effective Date: January 31, 2015
Monthly Retirement Allowance: \$3,016.71
Annual Retirement Allowance: \$36,200.52

Creditable Service Awards

Upon a motion by Susan J. Yaskell, seconded by Vincent R. Malgeri, the Board voted 4-0 that the following member shall be awarded creditable service as follows:

1. Timothy Crane shall be awarded two years and nine months of creditable service for prior reserve police officer and permanent police officer service from April 5, 1982 through June 25, 1984 and June 26, 1984 through January 16, 1985 with the Town of North Andover.
2. Lisa Randle shall be awarded one year and seven months of creditable service for prior non-membership service from April 1, 1995 through June 30, 2000 with the Town of Essex.
3. Stephen May shall be awarded four years and nine months of creditable service for prior reserve police service from January 9, 1989 through October 25, 1993 with the Town of Rowley.
4. Annie Sterling shall be awarded two years and four months of creditable service for prior refunded service with the Essex Regional Retirement System and the State Retirement Board.

5. Kerry Stickney shall be awarded eight years for call fire service with the Town of Boxford for the period of 1977 to January 29, 2006.
6. Christina Barrett shall be awarded one year of service with the Manchester-Essex Regional School District for the school year 2000-2001.

Approval of Installment Plans

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted: 4-0 to approve installment plans as described below for the following member:

1. Cheryl Scibisz, a member employed by the Ipswich Public Schools, for the purchase of prior non-membership service with the Ipswich Public Schools subject to the terms and conditions as presented.

Acceptance of Liability

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted: 4-0 that the Board accepts the recommendation of the Executive Director to accept or deny liability for past service rendered as described below:

1. To rescind a previous acceptance of liability for Paul Hogg as requested by the Newburyport Retirement System for the period of July 2003 through June of 2010 as ERRS never received contributions during this period of time.
2. To accept three years and ten months of liability for Michael Valentino as requested by the Massachusetts Teachers Retirement System upon proper payment for prior refunded service for the period of July 3, 1995 to May 7, 1999.

Vincent R. Malgeri disclosed that he and his wife purchased the home of Paul Hogg's parents in Newburyport but he does not know Mr. Hogg.

Rescinding Membership – Eric Fowler

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted 4-0 to rescind the membership of Eric Fowler as he never met the requirements for membership in the Essex Regional Retirement System.

Refund Warrant RT2015.03

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted 4-0 to approve the Warrant RT2015.03 for March 2015 to refund, rollover or transfer the accumulated deductions as presented in the warrant for fourteen members beginning with Norma J. Bird and ending with Ann G. Thornburg as described below in the total net amount of \$119,043.93.

Name	Type	Board or Institution
Bird, Norma J.	Rollover	State Street Bank
Christopher, Lynne C.	Withdrawal	
Dorr, Richard K.	Withdrawal	
Egge, Matthew N.	Rollover	MassMutual Retirement
Kilham, Benjamin L.	Transfer	Mass Teachers Retirement System
Morrow, Mary F.	Withdrawal	
Morrow, Mary F.	Withdrawal	
Murphy, Paul D.	Rollover	Charles Schwab
Murphy, Sherri L.	Withdrawal	
Ouellette, Daniel F.	Transfer	North Attleborough Retirement Board
Patton, Ronald V.	Withdrawal	
Stratoti, Corrine	Withdrawal	
Taylor, Nancy Susan	Transfer	Mass Teachers Retirement System
Thornburg, Ann G.	Transfer	Mass Teachers Retirement System

Discussion ensued about return of contributions to Richard Dorr and Ronald Patton. Also annuity account information is listed in warrant but not in minutes in consideration of public information about members.

February 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 February in the actual amount of \$3,141,803.38.

March Retirees Payroll

Upon a motion by Kevin A. Merz, seconded by Susan J. Yaskell, the Board voted 4-0 to approve the retirement allowances for the month of March in the actual amount of \$3,160,465.23.

ERRS Payroll

Upon a motion by Susan J. Yaskell, seconded by Kevin A. Merz, the Board voted 4-0 to approve the payment of the ERRS employee payroll for March 6, 2015 in the amount of \$18,169.56, and the employee payroll for March 20, 2015 in the amount of \$20,044.56.

Cash Disbursement Warrant CD2015.02b

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted 4-0 to approve the Cash Disbursement Warrant CD2015.02b for a wire transfer in February 2015 as presented below in the total amount of \$2,600,000.00.

Vendor	Amount
Pension Reserves Investment Management Board Transfer to Eastern Bank	2,600,000.00
Total	2,600,000.00

Cash Disbursement Warrant CD2015.03

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 4-0 approve the Cash Disbursement Warrant CD2015.03 for March 2015 as presented below in the total amount of \$13,260.61.

Vendor	Amount
Boston Fire Extinguisher Company - Yearly Inspection	50.00
Comcast - 2015.04	328.87
Town of Danvers Electric - #201	161.30
Town of Danvers Electric - #202	195.36
Jane Dooley - March Board Meeting	275.00
Group Insurance Commission - Health Insurance 1Q 2015 Estimated	5,708.29
H.C.O.P.T. - Condo Fee - April 2015	1,397.00
Law Office of Michael Sacco - 2015.02	2,780.00
MACRS - 2015 Dues	400.00
Massachusetts Municipal Association - Job Posting	140.00
Mathew's Cleaning & Painting - February 2015	272.00
Minuteman Press, Beverly, MA - Business Cards	225.25
Rainmaker Spring LLC - Office Water - 2015.02	8.50
Retrievevex - March 2015	205.06
Ricoh Americas Corporation - March 2015	325.48
Ricoh USA, Inc. - Usage & Maintenance Charge	468.57
Veribanc - Instant Rating Subscription Service	40.00
Verizon Wireless - February 2015	279.93
Total	13,260.61

Cash Disbursement Warrant CD2015.03a

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted 4-0 to approve the Cash Disbursement Warrant CD2015.03a for March 2015 as presented below in the total amount of \$168.15.

Vendor	Amount
Salem News – 48 Week Digital Subscription	168.15
Total	168.15

Discussion ensued about how ERRS uses newspaper to check obituaries, stories about members and Essex Tech. Digital subscription is for three users. ERRS will investigate cost of another service available that gives obituary information. Also mentioned was how census information could be used for death notices. Discussion addressed how ERRS security system has older technology which should be upgraded.

Cash Disbursement Warrant CD2015.03b

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted 4-0 to approve the Cash Disbursement Warrant CD2015.03b for March 2015 as presented below in the total amount of \$3,251,342.00.

Vendor	Amount
PRIM - Transfer to Eastern	2,000,000.00
Principal Real Estate Investors - Management Fees	11,342.00
State Street Bank & Trust - Transfer to Eastern	1,240,000.00
Total	3,251,342.00

MACRS Conference Overnight Travel

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 4-0 to approve overnight travel to the spring conference of the Massachusetts Association of Contributory Retirement Systems for May 31, 2015 to June 3, 2015 for Board members H. Joseph Maney, Susan J. Yaskell, Ira S. Singer, Vincent R. Malgeri, as well as for ERRS staff including Charles E. Kostro and up to two additional staff as authorized by the Executive Director.

2015 ERRS Office Hours Program

The Board recommended that the ERRS office hours could remain as is rather than extend work hours on a periodic basis to host on-site office hours at retirement offices and adjust employee work schedules as required.

ERRS Spring 2015 Newsletter

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted 4-0 to approve the draft spring 2015 ERRS newsletter with the corrections as noted.

Substitute Form W-4P

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted 4-0 to approve the substitute federal tax Form W-4P as presented.

Policy Memo #15-23: Proration of Days for Calculating Benefits

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 4-0 to approve Policy Memo #15-23 as follows:

To maintain consistency and to insure that all benefit calculations are computed equitably, the Board of the Essex Regional Retirement System has adopted the following policy:

All retirement and death benefit prorates will be calculated on a 30 day basis.

Realty Associates Fund IX – Proxy Vote

Upon a motion by Susan J. Yaskell, seconded by Vincent R. Malgeri, the Board voted 4-0 to authorize the Chair to execute the proxy vote for Sentinel Realty Partners IV Limited Partnership to appointment the auditors and appraisers as listed.

Legal Services RFP

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted 4-0 to approve the draft RFP for legal services as presented by the Executive Director.

ERRS Employee Handbook

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 4-0 to approve the ERRS Employee Handbook as presented effective as of July 1, 2015.

Executive Director Performance Review – Goals & Objectives

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 4-0 to approve the following goals & objectives for the Executive Director's performance review for the period of January 1, 2015 to December 31, 2015:

1. Complete the election of the Second Member to a full three year term and the appointment of the Fifth Member to a full five year term in accordance with Massachusetts General Law, Chapter 34B §19A and all applicable PERAC regulations;
2. On or before December 31, 2015, provide the Board with a report on options for moving to a new office location;
3. The Executive Director should continue to pursue the viability of adopting an actuarial appropriation method for ERRS units;
4. The Executive Director shall produce and distribute a minimum of two newsletters, one on or before May 1, 2015 and one on or before November 1, 2015;
5. The Executive Director will continue to develop strategies for minimizing administrative costs and will provide regular reports on expenses to the Board.

Discussion ensued about if MACRS fiduciary insurance policy would cover any errors that the retirement system would be liable for relative to appeals of which information was provided to insurance company. ERRS General Counsel Michael Sacco held a meeting with insurance representatives where Executive Director Charles E. Kostro participated via telephone on the matter.

The Board did not hold an Executive Session. It took a break at 9:46 a.m. and reconvened the meeting at 9:52 a.m.

Michael Sacco conference call

1. Essex Tech Legislation
2. MACRS Fiduciary Insurance Policy

Discussion was on meeting that ERRS officials had on March 11 with legislative delegation regarding how State Representative Brad Hill wanted to get \$700,000 in supplemental budget to pay ERRS for two years of appropriations (FY'15 and FY'16) where bills were not paid by Essex Aggie for retirees and unfunded liability.

ERRS General Counsel Michael Sacco had drafted proposed legislation that was sent to Rep. Hill's office and the legislative delegation was supportive of it to allow ERRS to bill Essex Tech directly in FY'17 for its share of unfunded liability for employee retirement costs. Michael Sacco noted that Rep. Hill's interpretation of the statute was the same as ERRS's that Essex Tech and Commonwealth have to pay for the former Essex Aggie pension costs as the successor agency.

Also addressed was if there was fiduciary insurance coverage for ERRS service errors and that ERRS should be copying Travelers on every appeal filed. There is a \$10,000 deductible on damages (that includes legal fees if a case goes to Appeals Court). Sacco will provide insurer with synopsis of a couple of pending appeals. The insurer had described what would be covered relative to appearance with DALA. This is a reimbursement versus a payment insurance policy that would cover legal costs not pay for a pension benefit. There is crime coverage as well (i.e., Maynard receive some reimbursement for its crime case).

ERRS will keep in touch with Rep. Hill's office about the legislation. ERRS is holding a meeting with its member unit chief executives on April 9 where Ira S. Singer will update them on the Essex Tech matter. There will be a similar update at the Advisory Council meeting in April. Discussion was about the likelihood of PERAC supporting the legislation.


Also mentioned was data gathering by Labaton Sucharow in the securities case that is going to occur at ERRS in the next week or two and the process used will be consistent with Board's vote. In addition, that there are two appeals by Richard Patton, and Richard Shruhan, school electrician, who is already retired relative to his Group 1 classification.

Correspondence

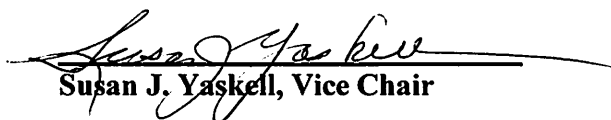
Discussion ensued about letters from PERAC that provided a response on minimum distributions, and ERRS draft beneficiary form.

Motion to Adjourn

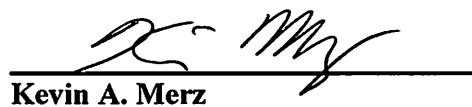
Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 4-0 to adjourn the meeting at 10:10 a.m.



H. Joseph Maney, Chair



Susan J. Yaskell, Vice Chair



Kevin A. Merz



Vincent R. Malgeri