

ESSEX REGIONAL RETIREMENT BOARD
JULY 20, 2015

At a regular monthly meeting of the Essex Regional Retirement System (ERRS) held on Monday, July 20, 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: Ira S. Singer, H. Joseph Maney, 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

Seth Lynn, Dahab Associates

Michael Trotsky, PRIM Executive Director

Edward Mitchell, Town of North Andover, Veterans Services Director

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 June 29, 2015

Upon a motion by Vincent R. Malgeri, seconded by Ira S. Singer, the Board voted: 3-0, to approve the minutes of the regular and executive session of the meeting of June 29, 2015.

Public Comment

None.

Annual Investment Manager Meeting: PRIM Board

PRIM Executive Director Michael Trotsky summarized expected 4% return for PRIM for year, outlined mission to manage \$62 billion fund and fund \$11 million in unfunded liability. He spoke to cost savings from Project Save relative to \$350 million PRIM annual budget, and top accomplishments at PRIM as well as 6.8% expected return in next five to seven years that is below actuarial return target of 7.9% but could be reached in 30 years since PRIM focuses on not taking risk. The ERRS returns after joining PRIM in 2010 (\$340 million investment) have been above benchmark. ERRS and PRIM are experiencing especially good returns from private equity and real estate. Discussion ensued about ERRS winding down some of its investments outside of PRIM although the

retirement system is still responding to some capital calls, and PRIM's social responsibility strategy (i.e., tobacco and fossil fuels).

Executive Session – Disability Application

Upon a motion by Vincent R. Malgeri, seconded by Ira S. Singer, the Board voted at 9:35 a.m. by roll call to move to executive session to act on the disability application of Edward Mitchell and to return to open session. Roll call vote: Ira S. Singer, yes, H. Joseph Maney, yes, Vincent R. Malgeri, yes.

Upon a motion by Ira S. Singer, seconded by Vincent R. Malgeri, the Board voted by roll call to appoint ERRS General Counsel Michael Sacco as hearing officer. Roll call vote: Ira S. Singer, yes, H. Joseph Maney, yes, Vincent R. Malgeri, yes.

The Board returned from Executive Session at 10:20 a.m.

New Business

Essex Tech assessment

Discussion ensued about legislative bill for \$700,000 that failed which ERRS had hoped Legislature would approve relative to outstanding assessment payment for Essex Tech's retiree pensions. In addition, the legislation was to direct liability for Essex Tech relative to reallocating debt service. Also mentioned was ERRS's previous discussion to move forward with civil action for declaratory judgment if the legislation failed to determine who is responsible for Essex Tech assessment. The retirement system could ultimately be responsible (allocating amongst ERRS's member units), and if so, this could go back to legislature. Also noted was how communication between ERRS leadership and Essex Tech's on the matter was unsuccessful.

ERRS auditors are working on an assessment number for Essex Tech's share of the retiree pensions and ERRS actuary would determine number including each member unit cost for each year before a complaint is filed. Also, ERRS could speak to State Representatives Brad Hill and Ted Speliotis about the matter. ERRS sent \$1 million to the Salem retirement system for Essex Tech existing employees. ERRS will do a salary survey in September and get it to PERAC in October for FY'17 appropriation. A valuation study will be done in January 2016. Discussion addressed how member units will be aware that there is a third year in which they have been overcharged for retirement benefits due to the outstanding assessment for Essex Tech that has not been paid for.

ERRS General Counsel Michael Sacco opined that a special meeting could be scheduled (August 17) with Hill and other delegates as well as Auditor Jim Powers and ERRS Actuary Larry Stone on the Essex Tech issue.

New Enrollments

Upon a motion by Ira S. Singer, seconded by Vincent R. Malgeri, the Board voted: 3-0, that the following named employees be enrolled in the Essex Regional Retirement System as follows, a list of seventeen names beginning with Kurtis C. Anderson and ending with Yevgeniya Tyurikova:

Anderson, Kurtis C	Boxford	Police	06/11/15	4
Blanchard Jr., John W	Rowley Housing Auth.	Housing	06/15/15	1
Breeden, Matthew J	North Andover	Police (Dispatch)	06/21/15	1
Clough, Samuel T	North Andover	School	01/26/15	1
Connolly, Brian J	Hamilton	Finance	06/29/15	1
Danforth, Peter K	Groveland	Highway	07/01/15	1
Dean, Gary P	Ipswich Housing Auth.	Housing	06/29/15	1
Dietsch-Holl, Martha	Manchester-Essex RSD	School	01/06/15	1
Hickey, Sarah E	North Andover	School	12/01/14	1
McCarthy, Kaitlin J	Newbury	Finance	06/22/15	1
Miller, Andrew C	North Andover	School	12/19/14	1
Pal, Anjali	North Andover	School	12/09/14	1
Price, Kathryn R	Lynnfield	School	09/01/14	1
Pugliese, Jason E	West Newbury	Police (Dispatch)	06/02/15	1
Restuccia, Rosemary M	Rowley	Assessor	06/08/15	1
Ruocco, Ralph V	Lynnfield	IT/Computer	05/13/15	1
Tyurikova, Yevgeniya	North Andover	School	01/12/15	1

New Retirements

Upon a motion by Ira S. Singer, seconded by Vincent R. Malgeri, the Board voted: 3-0, that the following named members of the Essex Regional Retirement System receive the superannuation retirement benefits calculated as follows:

- Robert L. Baker, Masconomet Regional, Maintenance Staff, Group 1
Effective Retirement Date: July 19, 2015
Monthly Retirement Allowance: \$1,579.71
Annual Retirement Allowance: \$18,956.52
- Joanne Camire, North Andover Housing Authority, Executive Director, Group 1
Effective Retirement Date: January 31, 2015 (**Adjusted – Retro Payment**)
Monthly Retirement Allowance: \$3,369.96
Annual Retirement Allowance: \$40,439.52
- Diana Clark, North Andover Housing Authority, Property Manager, Group 1
Effective Retirement Date: January 30, 2015 (**Adjusted – Retro Payment**)
Monthly Retirement Allowance: \$657.69
Annual Retirement Allowance: \$7,892.28
- Ann Fitzgibbons, Town of North Andover, Assistant Town Clerk, Group 1

Effective Retirement Date: June 13, 2015
Monthly Retirement Allowance: \$1,981.08
Annual Retirement Allowance: \$23,772.96

5. Peter J. Murphy, Town of North Andover, Electrical Inspector, Group 1
Effective Retirement Date: May 29, 2015
Monthly Retirement Allowance: \$809.40
Annual Retirement Allowance: \$9,712.80
6. Anthony Picanso, Rowley Housing Authority, Maintenance, Group 1
Effective Retirement Date: June 1, 2015
Monthly Retirement Allowance: \$988.84
Annual Retirement Allowance: 11,866.08
7. James Sperber, Town of Ipswich, Building Inspector, Group 1
Effective Retirement Date: June 5, 2015
Monthly Retirement Allowance: \$3,663.29
Annual Retirement Allowance: \$43,959.48

Creditable Service Awards

Upon a motion by Vincent R. Malgeri, seconded by Ira S. Singer, the Board voted: 3-0, that the following members shall be awarded creditable service as follows:

1. Eva Palmer shall be awarded nine months of service for prior non-membership service with the Town of Manchester-by-the-Sea.

Approval of Installment Plan

Upon a motion by Ira S. Singer, seconded by Vincent R. Malgeri, the Board voted: 3-0, to approve installment plans as described below for the following member:

1. Sandra Sanger, a retiree formerly employed by the Town of Topsfield, for the repayment of retirement benefits erroneously paid as a result of her classification in Group 2 at the time of her retirement rather than Group 1, subject to the terms and conditions as presented.

Acceptance/Denial of Liability

Upon a motion by Vincent R. Malgeri, seconded by Ira S. Singer, the Board voted: 3-0, that the Board accepts the recommendation of the Executive Director to deny liability for past service rendered as described below:

1. Leigh Ann Carbone as requested by the Massachusetts Teachers Retirement System for prior non-membership service for the period of September 1996 to June of 1998 as ERRS never received contributions during this period of time.

2. Julie McNally as requested by the Massachusetts Teachers Retirement System for prior non-membership service for the period of December 1996 to August of 1997 as ERRS never received contributions during this period of time.

Refund Warrant RT2015.07

Upon a motion by Ira S. Singer, seconded by Vincent R. Malgeri, the Board voted: 3-0, to approve the warrants RT2015.07 and RT2015.07a for July 2015 to refund, rollover or transfer the total accumulated deductions for fourteen members beginning with Joyce M. Bell and ending with Elizabeth W. Walsh as described below in the total net amount of \$120,042.73.

Name	Type	Board or Institution
Bell, Joyce M.	Transfer	Mass Teachers Retirement System
Cooper, Colleen	Withdrawal	
Hale, Jennilee	Withdrawal	
Johnson, Kristine M.	Transfer	Mass Teachers Retirement System
Kyne, Meghan E.	Transfer	Mass Teachers Retirement System
Malloy, Linda S.	Rollover	Jackson National Life Insurance
McKay, Bonnie M.	Withdrawal	
Moore, Joann	Withdrawal	
Ricker, George H.	Rollover	Morgan Stanley Wealth Management
Sperber, James A.	Withdrawal	
Standke, Allison K.	Rollover	Charles Schwab & Company
Sweeney, Ann E.	Transfer	Mass Teachers Retirement System
Turcotte, Meredith M.	Withdrawal	
Walsh, Elizabeth W.	Rollover	Pershing LLC

May Retirees Payroll

Upon a motion by Vincent R. Malgeri, seconded by Ira S. Singer, the Board voted: 3-0, to approve the retirement allowances for the month of May in the actual amount of \$3,192,527.59.

July Retirees Payroll

Upon a motion by Ira S. Singer, seconded by Vincent R. Malgeri, the Board voted: 3-0,

to approve the retirement allowances for the month of July in the approximate amount of \$3,300,000.00.

ERRS Payroll

Upon a motion by Vincent R. Malgeri, seconded by Ira S. Singer, the Board voted: 3-0, to approve the payment of the ERRS employee payroll for July 10, 2015, in the amount of \$15,373.58.

Cash Disbursement Warrant CD2015.07

Upon a motion by Ira S. Singer, seconded by Vincent R. Malgeri, the Board voted: 3-0, to approve the Cash Disbursement Warrant CD2015.07 for July 2015 as presented below in the total amount of \$40,747.89.

Vendor	Amount
ASI Flexible Spending Account - Administrative Fees - 2015.06	7.50
Dahab Associates, Inc., Fees - 2015 2Q	7,500.00
Town of Danvers Electric - #201	117.03
Town of Danvers Electric - #202	149.88
Jane Dooley - July Meeting	275.00
Eastern Massachusetts Collectors & Treasurers Association FY16 Dues	100.00
Group Insurance Commission - Dental & Vision - Q3 - FY15	506.06
H.C.O.P.T. - Condo Fee - August 2015	1,397.00
Haper's Payroll Service - 2015.07.07	46.89
Kostro, Charles, MACRS Conference Reimbursement (Including Mileage)	456.62
Kostro, Charles, PRIM Board Meeting Parking Reimbursement	38.00
Law Office of Michael Sacco - 2015.06	7,073.05
Lawrence Retirement Board - 2014 3(8)(c)	20,750.69
Mathew's Cleaning & Painting - 2015.07	272.00
Rainmaker Spring LLC - 2015.06	29.75
Verizon Wireless - 2015.06	279.97
W.B. Mason Company, Inc., Office Supplies	1,748.45
Total	40,747.89

Cash Disbursement Warrant CD2015.07a

Upon a motion by Vincent R. Malgeri, seconded by Ira S. Singer, the Board voted: 3-0, to approve the Cash Disbursement Warrant CD2015.07a for wire transfers for July 2015 as presented below in the total amount of \$9,798.00.

Vendor	Amount
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Levine Leichtman Capital Partners IV - Management Fees (7/15/2015 - 1/14/2016)	9,798.00
Total	9,798.00

Cash Disbursement Warrant CD2015.07b

Upon a motion by Ira S. Singer, seconded by Vincent R. Malgeri, the Board voted: 3-0, to approve the Cash Disbursement Warrant CD2015.07b for payments pursuant to Massachusetts General Law Chapter 32, Section 3(8)(c) for July 2015 as presented below in the total amount of \$147,990.87.

Vendor	Amount
Arbella Insurance Group	3,016.00
Arbella Protection Insurance Co	796.82
Comcast	331.03
Middlesex County Retirement Board	141,833.11
Pitney Bowes Global Financial Services	1,084.95
Quadrant Health Solutions	170.00
Retrievex	205.06
Ricoh Americas Corporation	325.48
W.B. Mason Company, Inc.	228.42
Total	147,990.87

First Member Special Election Schedule Approval

Discussion was about process done by mail, which has been approved by the Advisory Council twice in the last three years, and according to PERAC Advisory Board approval is not required for First Member Special Election schedule. Upon a motion by Vincent R. Malgeri, seconded by Ira S. Singer, the Board voted: 3-0, that a special election be held for the position of First Member of the Board in accordance with the following schedule:

August 10, 2015 – Letter to all qualified Chief Executives confirming their eligibility to vote and providing notice of the nomination process.

August 24, 2015 – Letter to all qualified Chief Executives opening the nomination process.

September 24, 2015 – Deadline for closing nominations.

September 28, 2015 – Distribution of ballots to all qualified Chief Executives.

October 20, 2015 – 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.

October 27, 2015 – Counting of ballots and certification of results to PERAC.

October 27, 2015 – First Member term begins for remainder of current term (expires December 1, 2017.)

Fifth Member Position Posting

Upon a motion by Ira S. Singer, seconded by H. Joseph Maney, the Board voted: 2-0-1 with Vincent R. Malgeri abstaining, pursuant to the direction provided by the Public Employee Retirement Administration Commission, the Executive Director shall post an advertisement during the month of August, which shall remain open for a period of two weeks, for applications for the position of Fifth Member of the Board for a full five year term beginning on December 14, 2015 with the planned schedule for the appointment to be made no later than September 28, 2015 ERRS Board meeting.

Executive Director's Report

Discussion ensued about email from Inspector's General office stating belief that Chapter 30B applies to retirement systems. ERRS follows Chapter 30B relative to appointment of chief procurement officer, and compliance when seeking certain services. ERRS is in the process of updating Chief Procurement Officer delegation file.

Motion to Adjourn

Upon a motion by Vincent R. Malgeri, seconded by Ira S. Singer, the Board voted 3-0, to adjourn the meeting at 11:00 a.m.


H. Joseph Maney, Chair


Vincent R. Malgeri


Ira S. Singer