

**ESSEX REGIONAL RETIREMENT BOARD
DECEMBER 21, 2015**

At a regular meeting of the Essex Regional Retirement System (ERRS) held on Monday, December 21, 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: H. Joseph Maney, Susan J. Yaskell, Vincent R. Malgeri, Kevin A. Merz, Alan J. Benson.

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

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

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted: 4-0-1 with Alan J. Benson abstaining to approve the minutes of the regular and executive session of the meeting of November 23, 2015, and of the executive session of September 12, 2013.

Public Comment

None.

New Enrollments

Upon a motion by Susan J. Yaskell, seconded by Vincent R. Malgeri, the Board voted: 5-0, that all of the required documentation has been received to enroll the following named employees in the Essex Regional Retirement System, a list of 23 names beginning with Jason A. Abram and ending with Jennifer A. Yarid.

<u>Name</u>	<u>Unit Name</u>	<u>Department</u>	<u>Hire Date</u>	<u>Group</u>
Abram, Jason A	Newbury	Highway	11/30/15	1
Boly, Raymond E	Lynnfield	Assessors	11/23/15	1
Coleman, Philip M	Hamilton-Wenham RSD	School	11/02/15	1
Cordiner, Scott E	Ipswich	School	09/11/15	1

Davidson, Deborah A	Ipswich	School	08/31/15	1
D'Entremont, Jill M	Hamilton-Wenham RSD	School	11/09/15	1
DeNuzzio, Michael	Middleton	School	11/09/15	1
DiFilippo, Charlene D	Boxford	Public Works	11/01/15	1
Drago, Katelyn E	Merrimac	Police (Dispatch)	10/19/15	1
Dziama, Kara N	Pentucket	School	08/30/15	1
Grava, Jennifer E	Lynnfield	School	09/21/15	1
Hager, Kristin M	Lynnfield	School	07/06/15	1
Kalenik, Sandra A	Masconomet RSD	School	09/28/15	1
Lightbody, Thomas F	North Andover	School	10/15/15	1
Maguire, Joanna	Lynnfield	School	11/02/15	1
Mantzourani, Eleni	North Andover	School	01/05/15	1
Miller, Michael F	North Andover	School	11/09/15	1
Murphy, Paul W	North Andover	Public Works	12/07/15	1
Papillo, Elizabeth J	Middleton	School	08/27/15	1
Rugato, Linda M	Lynnfield	School	10/12/15	1
Smith, Kimberly A	Lynnfield	Police (Dispatch)	12/01/15	1
Wall, Kenneth M	Merrimac	Highway	11/23/15	1
Yarid, Jennifer A	Rockport	Accounting	12/01/15	1

New Retirements

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted: 5-0, that the retirement system staff has verified that the necessary documentation has been received and that the following named members of the Essex Regional Retirement System be awarded superannuation retirement benefits calculated as follows, a list of seven names beginning with Joyce E. Clohecy and ending with Stephen Ranta:

1. Joyce E. Clohecy, Town of Merrimac, Assessor, Group 1
Effective Retirement Date: November 2, 2015
Monthly Retirement Allowance: \$1,934.94
Annual Retirement Allowance: \$23,219.28
2. Cynthia Griffin, Hamilton-Wenham, Early Childhood Liaison, Group 1
Effective Retirement Date: December 9, 2015
Monthly Retirement Allowance: \$913.05
Annual Retirement Allowance: \$10,956.60
3. John Hayward, Topsfield Police Department, Sergeant, Group 4
Effective Retirement Date: October 30, 2015
Monthly Retirement Allowance: \$4,760.22
Annual Retirement Allowance: \$57,122.64

4. Elizabeth A. Heisey, Town of Manchester, Administrative Assistant, Group 1
Effective Retirement Date: November 1, 2015
Monthly Retirement Allowance: \$2,454.81
Annual Retirement Allowance: \$29,457.72
5. Pamela R. Howard, Town of Georgetown, Electric Dept. Customer Service, Group 1
Effective Retirement Date: November 1, 2015
Monthly Retirement Allowance: \$1,361.79
Annual Retirement Allowance: \$16,341.48
6. Adele J. Johnson, Town of North Andover, Executive Assistant, Group 1
Effective Retirement Date: October 30, 2015
Monthly Retirement Allowance: \$1,144.83
Annual Retirement Allowance: \$13,737.96
7. Stephen Ranta, Town of Rockport, Laborer, Group 1
Effective Retirement Date: November 30, 2015
Monthly Retirement Allowance: \$1,544.66
Annual Retirement Allowance: \$18,535.92

Disability Award – Edward Mitchell

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted: 4-0-1 with Alan J. Benson abstaining to approve the disability retirement allowance of Edward Mitchell as follows:

Monthly Allowance: \$2,443.29
Annual Allowance: \$29,319.48

Section 101 Interim Benefit – Joan Tindle

Upon a motion by Alan J. Benson, seconded by Kevin A. Merz, the Board voted: 5-0, to approve an interim survivor benefit for Joan Tindle under Massachusetts General Law Chapter 32 §101 in the amount of \$1,000.00 per month effective as of December 4, 2015 pending the resolution of Ms. Tindle's application under Chapter 32 §9.

Creditable Service Awards

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted: 5-0, that the following members shall be awarded creditable service as follows, a list of five names beginning with Kathleen A. James and ending with Jeanne M. Young:

1. Kathleen A. James, a member from the Town of Ipswich, shall be awarded seven months of creditable service for her purchase of prior non-membership service from September 15, 2003 to June 18, 2004 with the Ipswich Public Schools.

2. James R. Morton, a member from the Town of Groveland, shall be awarded five years of creditable service for his purchase of reserve police service with the Town of Groveland.
3. Michael J. Risacher, a member from the Town of North Andover, shall be awarded ten months of creditable service for his purchase of call firefighter service from August 31, 1995 to July 14, 1996 with the Town of North Andover.
4. Marie A. Scott, a member from the Town of North Andover, shall be awarded one year and eleven months of creditable service for her purchase of prior non-membership service as a substitute teacher from 1994 to 1997 with the Wakefield Public Schools.
5. Jeanne M. Young, a member from the Town of Lynnfield, shall be awarded one year and nine months of creditable service for her purchase of prior non-membership service from January 1, 1995 to June 30, 1998 with the Lynnfield Public Schools.

Acceptance of Liability

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted: 5-0 that the Board accept the recommendation of the Executive Director to deny liability for past service rendered by the following member as described below:

1. Linda Leahy, as requested by the Massachusetts Teachers Retirement System for the period of September 2004 to June of 2006 as this person was not eligible for membership during this period and ERRS did not receive contributions for this service.

Refund Warrant RT2015.12

Upon a motion by Susan J. Yaskell, seconded by Vincent R. Malgeri, the Board voted: 5-0, to approve the warrant for December 2015 to refund, rollover or transfer the total accumulated deductions for 35 members beginning with Jennifer A. Baker and ending with Barry C. Theriault as described below in the total net amount of \$458,036.58.

Name	Type	Board or Institution
Baker, Jennifer A.	Withdrawal	
Beaudoin, Arna C.	Transfer	Newburyport Retirement Board
Beevers, Cheryl E.	Withdrawal	
Chechile, Nicholas A.	Transfer	Mass Teachers Retirement System
Collins, Lisa A.	Transfer	Newburyport Retirement Board

Cummings, Diana L.	Transfer	Gloucester Retirement Board
Digilio, Vincent K.	Transfer	Mass Teachers Retirement System
Dugan, Jessica L.	Transfer	Mass Teachers Retirement System
Flaherty, Corinn B.	Transfer	Middlesex County Retirement Board
Fowler, Patricia	Withdrawal	
Larrabee, Clint M.	Transfer	Salem Retirement Board
Mahoney, Virginia E.	Withdrawal	
McCarthy, Martha	Rollover	Fidelity Management Trust
Metivier, N. Jon	Transfer	Middlesex County Retirement Board
Murphy, Erin A.	Transfer	Middlesex County Retirement Board
O'Leary, Kevin	Withdrawal	
Pekarski, Gregory D.	Transfer	Methuen Retirement Board
Pyser, Lisa B.	Transfer	Andover Retirement Board
Reader, Robin E.	Transfer	Mass Teachers Retirement System
Rebelo, Teresa F.	Transfer	Lawrence Retirement Board
Renzulli, Ralph J.	Transfer	Everett Retirement Board
Reppucci, Gina E.	Transfer	Mass Teachers Retirement System
Singer, Ira S.	Withdrawal	
Smith, Alexander R.	Transfer	Gloucester Retirement Board
Spano, Tiffany A.	Transfer	Lexington Retirement Board
Sweeney, Michael d.	Transfer	Amesbury Retirement Board
Tarr, Diane K.	Transfer	Mass Teachers Retirement System
Thomas, Mark C.	Withdrawal	
Traister, Michael B.	Transfer	Newburyport Retirement Board
Tully, Christina M.	Transfer	Danvers Retirement Board
Whalen, Alicia M.	Withdrawal	
Whitaker, Scott A.	Rollover	Citizens Bank - Retirement Fund
Yuskowski, Nikki E.	Transfer	Mass Teachers Retirement System
Zammiti, Michele M.	Transfer	Newburyport Retirement Board
Therault, Barry C.	Survivor Rollover	Haverhill Bank

December Retirees Payroll

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the Board voted: 5-0, to approve the retirement allowances for the month of December in the approximate amount of \$3,300,000.00.

December Supplemental Retirees Payroll

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted: 5-0, to approve a partial retirement allowance for the month of December in the actual amount of \$280.87 as described below in pension payroll warrant PP2015.12A.

Member	Amount
Emerson, Martha L.	280.87
Total	280.87

ERRS Payroll

Upon a motion by Alan J. Benson, seconded by Susan J. Yaskell, the Board voted: 5-0, to approve the payment of the ERRS employee payroll for December 11, 2015, in the amount of \$17,988.97.

Cash Disbursement Warrant CD2015.12

Upon a motion by Susan J. Yaskell, seconded by Vincent R. Malgeri, the Board voted: 5-0, to approve the Cash Disbursement Warrant CD2015.12 for December 2015 as presented below in the total amount of \$26,519.63.

Vendor	Amount
ASI Flexible Spending Account - Administrative Fees - 2015.11	7.50
Carleton, Katherine - Meeting Supplies/Postage	41.14
DNS Services, Inc. - 2016	65.00
Town of Danvers Electric - #201	119.14
Town of Danvers Electric - #202	138.68
Jane Dooley - December Meeting	275.00
Group Insurance Commission - Health - 10/01/15 - 12/31/15 Estimate	4,509.24
H.C.O.P.T. - Condo Fee - 2016.01	1,482.00
HIQ Computers - #109755	1,155.00
HIQ Computers - #109590	756.00

Harper's Payroll Service - 2015.12.08	48.34
Law Office of Michael Sacco - 2015.11	5,450.20
Mathew's Cleaning & Painting - 2015.12	272.00
Poster Compliance Center - MA & Fed	87.45
Quadrant Health Strategies - Training - Dealing with Difficult People	600.00
Rainmaker Spring LLC - 2015.11	17.00
Red Sun Press - Newsletter	4,594.72
Retrievex - 2015.12	205.06
Ricoh Americas Corporation - 2015.12	325.48
Ricoh USA, Inc. - Usage & Maintenance Charge	256.83
Tyco Integrated Security LLC - 2016 - #201	3,280.98
Tyco Integrated Security LLC - 2016 - #202	2,197.74
Verizon Wireless - 2015.11	279.93
W.B. Mason Company, Inc. - Office Supplies	355.20
Total	26,519.63

2016 Employee Pay Raises

Discussion ensued after the following motion:

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, that the Board authorize the following increases in pay for ERRS employees:

To increase the salary of Anne Speicher, ERRS Director of Administration and Finance, by 2.5% effective as of January 1, 2016, increasing her annual rate of pay from \$83,500 to \$85,587.50.

To increase the salary of Scott Provensal, ERRS Retirement Counselor, by 2.5% effective as of January 1, 2016, increasing his annual rate of pay from \$68,000 to \$69,700.

To increase the hourly wage of Traci Masterson, ERRS Executive Assistant, by 2.5% effective as of January 1, 2016, increasing her hourly wage from \$25.75 to \$26.39.

To increase the salary of Donavin Bentley, ERRS Membership Coordinator, by 2.5% effective on February 2, 2016 (his 1st year anniversary), increasing his annual rate of pay from \$60,000 to \$61,500.

To increase the salary of Charles Kostro, ERRS Executive Director, by 2.5% effective January 1, 2016 increasing his annual rate of pay by \$3,450 to \$141,450.

Susan J. Yaskell acknowledged the quality work done by the Executive Director and suggested that a 2% raise might be more appropriate for the Executive Director given criticism that the retirement system had received in the past for the rate of pay associated with its higher level salaries.

The ERRS staff is evaluated on defined goals twice a year and salary increase proposed is related to final performance, 2% to 3%, is recommended by the Executive Director to the ERRS Board. Four out of five employees were recommended for raises (they've performed well and taken on new roles) since one began working for ERRS in July. The 2.5% increase for the four individuals was included in 2016 administrative budget. ERRS's salary budget is the same as it was in 2010. The amount left in salary budget leaves money for the Board's proposed increase of 2.5% for the Executive Director.

Last year entry level range was created for ERRS positions based on other retirement systems and historic pay at ERRS to retain and attract people to the retirement system. The employees are measured on five to six objectives. Kostro noted that all employees were rated highly but not the same and 2.5% recommended increase was considered equitable across the board. The positions have been scaled back to have reasonable salaries and vacation time.

The Board voted 5-0 to approve the motion.

2016 Administrative Budget

Upon a motion by Vincent R. Malgeri, seconded by Alan J. Benson, the Board voted: 5-0 to approve all salaries and administrative expenses as described in the 2016 ERRS budget report in the total amount of \$1,063,081 (this reflects budget salary adjustment for the Executive Director) and that the final budget report be distributed to all ERRS Chief Executives and Advisory Council members.

Discussion ensued on 30% increase in audit cost due to need for verification of funding status for retirement system and additional testing required.

Independent Audit Services Contract

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted: 5-0, to approve the contract as presented for a three year contract from January 1, 2016 to December 31, 2018 for audit services with Powers & Sullivan, LLC of Wakefield, MA.

Cleaning Services Contract Extension

Upon a motion by Susan J. Yaskell, seconded by Vincent R. Malgeri, the Board voted: 5-0, to exercise the Board's option to extend the agreement for cleaning services with Mathews Painting and Cleaning to December 31, 2016.

2016 COLA Hearing Schedule

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted: 5-0, to tentatively schedule a hearing for Monday, February 29, 2016 at 8:45 a.m. on the granting of a Cost of Living Adjustment of up to 3% effective as of July 1, 2016 to eligible retirees of the Essex Regional Retirement System, and, further, that the Executive Director notify the members of the Advisory Council of this hearing pursuant to Massachusetts General Law, Chapter 32, Section 103(i), if necessary.

Executive Session Minutes Review

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted: 4-0-1 with Alan J. Benson abstaining that no additional release of executive session minutes be done at this time.

2016 Holiday Schedule

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the Board voted: 5-0, to approve the following schedule for twelve paid holidays in 2016:

1. Friday, January 1, 2016 – New Year's Day
2. Monday, January 18, 2016 – Martin Luther King Day
3. Monday, February 15, 2016 – President's Day
4. Monday, April 18, 2016 – Patriot's Day
5. Monday, May 30, 2016 – Memorial Day
6. Monday, July 4, 2016 – Independence Day
7. Monday, September 5, 2016 – Labor Day
8. Monday, October 10, 2016 – Columbus Day
9. Friday, November 11, 2016 – Veteran's Day
10. Thursday, November 24, 2016 – Thanksgiving Day
11. Friday, November 25, 2016 – Friday after Thanksgiving Day
12. Monday, December 26, 2016 – Recognition of Christmas Day

Discussion was on how the 2:30 p.m. early closings before particular holidays would be determined day-by-day at the discretion of the Executive Director.

Ascent Venture Partners – Fund III Amendment

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted: 5-0, to authorize the Chair to sign the amendment to the Ascent Venture Partners III, L.P. Partnership Agreement extending the term of the partnership from December 31, 2015 to December 31, 2017.

FY2017 Appropriation Letter and Essex Aggie Funding Schedule

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted: 5-0 that the Executive Director request the Actuary at PERAC to include an amount in the annual appropriation by which the Essex Agricultural and Technical School pay the share of the unfunded liability attributable to the former Essex Agricultural School, as calculated by the ERRS actuary.

Discussion ensued about how ERRS Actuary Larry Stone could attend the Board's January 25, 2016 meeting so the Board could hear from Stone regarding his work on this matter if documents requested by ERRS are not received from Stone by that meeting date.

FY2017 Appropriation Letter and Essex Aggie Funding Schedule

Upon a motion by Kevin A. Merz, seconded by Susan J. Yaskell, the Board voted: 5-0 that the Executive Director distributes the FY2017 appropriation letter to ERRS units with a letter explaining the current status of the Board's efforts relative to the unfunded liability attributable to the former Essex Agricultural School.

Section 15 Hearing – Paul Bedard

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted: 5-0, that the Board schedule a hearing pursuant to MGL Chapter 32, Section 15 for ERRS retiree Paul M. Bedard as part of its regular meeting on January 25, 2016.

Discussion ensued about how Paul Bedard pled guilty to larceny over \$250 relative to stealing from the Ipswich Public Schools. The retirement system will research with the Schools to understand if Mr. Bedard took any action on restitution amount of \$44,858. Mr. Bedard retired on November 14, 2013. ERRS has paid \$34,000 for two years of his annual allowance and \$55,000 remains in his annuity account. A decision will be made about if any payments or remainder in annuity account could be suspended and used for restitution.

Cash Disbursement Warrant CD2015.12a

Upon a motion by Susan J. Yaskell, seconded by Vincent R. Malgeri, the Board voted: 5-0, to approve the Cash Disbursement Warrant CD2015.12a for December 2015 as presented below in the total amount of \$363.63.

Vendor	Amount
Comcast	328.87
TAB Products	34.76
Total	363.63

The Board took a break at 9:30 a.m. and reconvened at 9:57 a.m.

Executive Session – Disability Application & Litigation Strategy

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the Board voted by roll call: Kevin A. Merz, yes, Alan J. Benson, yes, H. Joseph Maney, yes, Vincent R. Malgeri, yes, Susan J. Yaskell, yes, at 9:58 a.m. to move to executive session to act on the disability application of Scott Hunt and to remain in executive session to discuss strategy with respect to litigation as an open meeting may have a detrimental effect on the litigating position of the retirement system and 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 returned to open session at 10:29 a.m.

Executive Director 2015 Performance Review

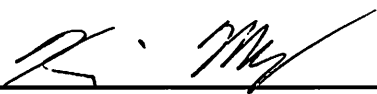
The Executive Director's overall average was 3.84 out of 4.0 for his 2015 performance review done by the Board on his 2015 goals. The Executive Director will compile an updated list and present his 2016 goals to the Board for the January 25, 2016 meeting.

Motion to Adjourn

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the Board voted: 5-0, to adjourn the meeting at 10:30 a.m.

H. Joseph Maney, Chair


Susan J. Yaskell, Vice Chair



Kevin A. Merz



Vincent R. Malgeri



Alan J. Benson