

**ESSEX REGIONAL RETIREMENT BOARD  
DECEMBER 18, 2017**

At the regular meeting of the Essex Regional Retirement System (ERRS) held on Monday, December 18, 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, 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 Counsel

Board Chair Joseph Maney called the meeting to order at 8:36 a.m. The Board said the pledge of allegiance.

**Approval of Board Minutes**

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted 4-0; To approve the minutes of the regular and executive session of the meeting of November 27, 2017.

**Public Comment Period**

There were no public comments.

**New Enrollments**

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted 4-0; That the following named employees be enrolled in the Essex Regional Retirement System, a list of twenty names beginning with Stephen E. Beaulieu and ending with Cathryn L. Yacubian.

<u>Name</u>	<u>Unit Name</u>	<u>Department</u>	<u>Date</u>	<u>Group</u>
Beaulieu, Stephen E.	Merrimac	Police	11/30/2017	4
Blanchette, Anne C.	North Andover	School	08/30/2017	1
Booth, Martelle M.	Hamilton-Wenham RSD	School	11/02/2017	1
Brandenburg, Anna M.	Topsfield	Library	11/02/2017	1
Brickett, Zachary J.	Merrimac	Water	10/23/2017	1
Carbone, Heide A.	Lynnfield	School	11/22/2017	1
Cormier, II, Gary S.	Pentucket RSD	School	08/29/2016	1
Correale, Michael A.	Georgetown	Electric/Light	11/27/2017	4
Derby, Michael C.	Lynnfield	School	11/22/2017	1
Eagan, Jane E.	North Andover	School	10/10/2017	1

Fay, Valerie J.	North Andover	School	08/30/2017	1
Greenleaf, Megan M.	Ipswich	School	08/30/2017	1
Hood, Joshua S.	North Andover	School	09/01/2017	1
Leszczynski, Jr., Walter H.	Boxford	DPW	11/13/2017	1
Manning, Karen M.	North Andover	School	09/18/2017	1
Mooney, Paul W.	Ipswich	School	11/20/2017	1
Percival, Kara C.	West Newbury	Civil Dispatch	11/24/2017	1
Taupier, Alan P.	Hamilton-Wenham RSD	School	11/01/2017	1
Walker, Lisa M.	North Andover	School	08/30/2017	1
Yacubian, Cathryn L.	Lynnfield	School	11/22/2017	1

### **New Retirements**

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 4-0; That the following member of the Essex Regional Retirement System be awarded superannuation retirement benefits calculated as follows:

1. J. Maureen Douglas, N.E. Mosquito Control Project, Administrative Assistant, Group 1  
Effective Retirement Date: October 18, 2017  
Monthly Retirement Allowance: \$465.95  
Annual Retirement Allowance: \$5,591.40

### **Survivor Benefit Award**

Mr. Kostro requested that the Board take no action on this item.

### **Creditable Service Awards**

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 4-0; 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. Thomas J. Aldrich shall be awarded five years and two months of creditable service for the purchase of call firefighter service rendered from September 18, 2009 to October 17, 2015 with the Town of Manchester.
2. Laurie A. Kennedy shall be awarded two years and two months of creditable service for the purchase of prior non-membership service rendered from October 2004 to July 2011 with the Georgetown Public Schools.

3. Donna M. Ruccolo shall be awarded eight months of creditable service for the purchase of prior non-membership rendered from June 16, 2005 to August 31, 2007 with the Town of Middleton.
4. Kelli P. Vance shall be awarded six months of creditable service for the purchase of prior non-membership service rendered from September 24, 2014 to June 30, 2015 with the Pentucket Regional School District.

### **Refund Warrant**

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 4-0; To approve the warrant for December 2017, to refund, rollover and transfer the total accumulated deductions for eleven members beginning with Alan E. Davey and ending with Claudia A. Ganey, in the total net amount of \$87,919.05.

<b>Name</b>	<b>Type</b>	<b>Board or Institution</b>
Davey, Alan E.	Withdrawal	
Davis, Allyson N.	Transfer	Middlesex County Retirement Board
Douglas, J. Maureen	Withdrawal	
Fraser, Michael G.	Withdrawal	
Gold, Abigail K.	Rollover	Charles Schwab & Company, Inc.
Howe III, Arthur	Rollover	TD Ameritrade Institutional
Levy, Amanda H.	Transfer	Haverhill Retirement Board
Maguire, Gerard J.	Withdrawal	
Oldham, Rebecca L.	Transfer	Methuen Retirement Board
Sibbalds, John S.	Withdrawal	
Ganey, Claudia A.	Death Refund	

### **November Retirees Payroll**

Upon a motion by Susan J. Yaskell, seconded by Kevin A. Merz, the Board voted 4-0; To approve the retirement allowances for the month of November in the actual amount of \$3,687,685.89.

### **December Retirees Payroll**

Upon a motion by Kevin A. Merz, seconded by Susan Y. Yaskell, the Board voted 4-0; To approve the retirement allowances for the month of December in the estimated amount of \$3,725,000.00.

## **ERRS Payroll**

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted 4-0; To approve the payment of the ERRS employee payroll for December 8, 2017 in the amount of \$18,724.08.

## **Cash Disbursement Warrant CD2017.11a**

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted 4-0; To approve the Cash Disbursement Warrant CD2017.11a for wire transfers for November 2017 as presented in the total amount of \$3,000,000.00.

<b>Vendor</b>	<b>Amount</b>
PRIM – Transfer to Eastern	3,000,000.00
Total	3,000,000.00

## **Cash Disbursement Warrant CD2017.12**

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted 4-0; To approve the Cash Disbursement Warrant CD2017.12 for December 2017 as presented in the total amount of \$47,352.54.

<b>Vendor</b>	<b>Amount</b>
ASI Flex - Administrative Fee	10.00
Town of Danvers - Electric - Suite 201	135.04
Town of Danvers - Electric - Suite 202	110.77
Group Insurance Commission - Health & Dental 07/17 - 09/17	10,028.97
Group Insurance Commission - Administrative Fee FY17	146.00
H.C.O.P.T. - Condo Fee	1,508.00
HIQ Computers - #116876	990.00
Harpers Payroll Service	45.90
Law Office of Michael Sacco - 2017.11	10,262.33
Massachusetts State Board of Retirement - 2016 - 3(8)(c)	21,597.66
Masterson, Traci - Office Supplies	53.51
Red Sun Press - Census Envelopes	440.00
Retrievex - 2017.12	453.30
Ricoh USA, Inc. 2017.11	288.69
SJC Services Inc. - Monthly Bill	225.00
Verizon Wireless - Monthly Bill	159.96
W.B. Mason Company, Inc. - Office Supplies	897.41

	Total	47,352.54
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Mr. Benson joined the meeting at 8:42 a.m.

### **Authorization to Pay Bills**

Upon a motion by Vincent R. Malgeri, seconded by Alan J. Benson, the Board voted 5-0; To authorize the Executive Director to pay such bills for the month of December as he shall deem necessary provided that any such payments are presented to the Board for approval at the next regular meeting.

### **2018 Employee Salaries**

Mr. Kostro reviewed the proposed pay increases for employees to be effective as of January 1, 2018. He noted that the increases he proposed were based on feedback from the Board received during the presentation of the preliminary budget in September, and the comments received from the Advisory Council at their meeting on November 29, 2017. Mr. Kostro advised that all of the recommended pay increases were capped at 2%. Mr. Merz reviewed the comments received from the Advisory Council. He also distributed the responses he received from the units regarding their cost-of-living adjustment for employees in fiscal year 2018, and their health insurance contributions. He noted that the majority of responses contained cost-of-living increases averaging 2% to 2.5%. Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted 5-0; To approve 2% increases for the following employees and to set their salaries as of January 1, 2018 as follows:

Anne Speicher, Director of Administration & Finance, an annual salary of \$94,860.00.  
Katherine Carlton, Retirement Counselor, an annual salary of \$71,094.00.  
Scott Provensal, Retirement Counselor, an annual salary of \$73,236.00.  
Pamela Lynch, Administrative Assistant, an annual salary of \$49,725.00.

### **Termination of Dahab Agreement**

Upon a motion by Alan J. Benson, seconded by Kevin A. Merz, the Board voted 5-0; Pursuant to the terms of the amendment dated November 23, 2015, the Agreement with Dahab Associates for the provision of investment consulting services is terminated as of December 31, 2017 and the Board authorizes the Chair to sign the notice letter as presented.

### **2018 Final Administrative Budget**

Mr. Benson asked why the total budget amount did not change if salary increases were only 2%. Mr. Kostro noted that there is a balance remaining in the salary reserve line-item, which will remain available throughout the year. He noted that there are no plans to spend the remaining balance at this time. Mr. Malgeri noted that he is always impressed with the detail provided by ERRS in its annual budget narrative. Upon a motion by Kevin A. Merz,

seconded by Vincent R. Malgeri, the Board voted 5-0; To approve the ERRS administrative budget as presented for 2018 in the total amount of \$1,076,075.

#### **2018 Cash Flow Plan**

Upon a motion by Vincent R. Malgeri, seconded by Alan J. Benson, the Board voted 5-0; That the cash flow plan for 2018 be approved as presented.

#### **2018 Mileage Reimbursement Rate**

Upon a motion by Kevin A. Merz, seconded by Susan J. Yaskell, the Board voted 5-0; That the rate for mileage reimbursement for 2018 be set at 54.5 cents per mile.

#### **Release of Executive Session Minutes**

The Board passed over this item.

#### **PTG Employer Reporting Update**

Mr. Kostro advised that he spoke with PTG and they will either contact vendors who are charging units for work associated with the implementation of the employer reporting module to seek a waiver of any fee, or PTG will pay the fee themselves.

#### **Carpet Replacement Status**

Mr. Kostro reviewed the damage done in Suite 202 due to recent flooding. He advised that the insurance company has been notified and that he will be seeking quotes for replacement of the carpet, which should be paid by the insurer.

#### **Free Service/FY2019 Appropriation Letter**

Mr. Kostro said that the Fiscal Year 2019 appropriation letter has been received from PERAC and distributed to the units. He advised that the assessment to the Manchester-Essex Regional School District and the Rowley Housing Authority for free service granted to their employees has been added to the appropriation letter. Mr. Kostro stated that the Manchester-Essex Regional School District has stated that their counsel believes that they may not be subject to this assessment, but no official objection or letter has been received.

#### **Police and Fire Premium Holiday Pay**

Mr. Kostro reviewed the responses received from North Andover and Lynnfield, noting that these units take retirement deductions from straight-time holiday pay but not from premium holiday pay. Mr. Sacco reviewed the different types of holiday pay that are typically provided for in collective bargaining agreements. He said that based on the statute, he does not believe that premium pay is regular compensation. Upon a motion by

Vincent R. Malgeri, seconded by Alan J. Benson, the Board voted 5-0; That extra pay for working holidays for police officers and firefighters shall not be considered regular compensation.


### **Reserve Police and Call Firefighter – Rescinding Membership**

Mr. Kostro reviewed for the Board the issues involved with past enrollment of reserve police officers and call firefighters, and the current issues involving these positions and regular compensation. He reviewed the most recent situation in which an individual is requesting that his membership be rescinded so that he can receive a return of his accumulated total deductions. The Board reviewed multiple options regarding members in this situation and the possible ramifications for all other members should any of the options become Board policy. Mr. Sacco reviewed cases involving rescinding membership and the outcome of cases when appealed by members. Discussion ensued about how policies have to apply to all similarly situated employees and cannot legally be tailored to address one member's situation. Mr. Merz requested that a list of all reserve police officers and call firefighters be requested from the units and cross-referenced with members making deductions and the units then be directed to stop withholdings. It was noted that this problem was generated by the prior Board's misapplication of the "once a member, always a member" policy, and by the prior Board's failure to follow its own membership regulation when enrolling part-time members without a regular schedule. The Board determined to take no action in this matter.

### **Motion to Adjourn**


Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted 5-0; To adjourn the meeting.

The meeting was adjourned at 9:47 a.m.

  
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Alan J. Benson

  
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Vincent R. Malgeri

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H. Joseph Maney

  
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Kevin A. Merz

  
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Susan J. Yaskell

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 December 1, 2017  
Clement, John - Order from DALA  
Eastern Bank Quarterly Statement  
Levine Leichtman Fund III Distribution Letter dated November 30, 2017  
Levine Leichtman Fund IV Distribution Letter dated November 30, 2017  
Monthly Fund Transfers  
Monthly Reconciliation Report  
November Deduction Posting Report  
PERAC Memo 35.2017 - Forfeiture of Retirement Allowance  
PERAC Memo 35.2017 - Forfeiture of Retirement Attachment  
PERAC Memo 36.2017 - Documents for Benefit Calculations  
PERAC Memo 37.2017 - Section 3.8.c Policy  
PERAC Memo 38.2017 - Annual Disability Data  
PERAC Pension News November 2017