

ESSEX REGIONAL RETIREMENT BOARD
FEBRUARY 26, 2018

At the regular meeting of the Essex Regional Retirement System (ERRS) held on Monday, February 26, 2018, 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 (participating remotely), 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

Robert Blanchard, ERRS Member from the Town of Wenham

Acting Board Chair Susan J. Yaskell called the meeting to order at 8:34 a.m. The Board said the pledge of allegiance.

Ms. Yaskell 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 that Pamela Lynch is recording this meeting.

Ms. Yaskell also read the following statement: 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 is participating via 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 as follows; Mr. Benson, Yes; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, Yes; Ms. Yaskell, Yes; To approve the minutes of the regular and executive session of the meeting of January 29, 2018.

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 by roll call as follows; Mr. Benson, Yes; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, Yes; Ms. Yaskell, Yes; That the following named employees be enrolled in the Essex Regional Retirement System, a list of twenty-eight names beginning with Jesse J. Bolles and ending with Nancy A. Weiss.

<u>Name</u>	<u>Unit Name</u>	<u>Department</u>	<u>Date</u>	<u>Group</u>
Bolles, Jesse J.	Ipswich	DPW	12/18/2017	1
Busta, Anna E.	Pentucket RSD	School	02/01/2018	1
Cademartori, Emilie A.	Lynnfield	Conservation	02/01/2018	1
Collins, Kathleen F.	Eastern Essex Veterans	Veteran's District Staff	12/04/2017	1
Dolan, Robert J.	Lynnfield	Town Admin. Staff	02/05/2018	1
Gordon, Leon R.	Topsfield	School	01/29/2018	1
Herrera, Marissa M.	North Andover	School	01/02/2018	1
Johnson, Susan M.	Salisbury	Planning & Zoning	02/05/2018	1
Khalil, Karla	North Andover	School	12/18/2017	1
Langer, John C.	Lynnfield	School	01/24/2018	1
Lawrence, Andrew S.	Rowley	Police	01/09/2018	4
Lengieza, Alexandra J.	North Andover	School	01/02/2018	1
MacDonald, Kim M.	Masconomet RSD	School	01/29/2018	1
MacLean, Melanie A.	North Andover	School	08/30/2017	1
McGettrick-Arpin, Teresa A.	North Andover	School	09/11/2017	1
Nett, Haley P.	North Andover	School	09/28/2017	1
Nicklas, Mary E.	Georgetown	School	02/05/2018	1
Perez, Angel	Pentucket RSD	School	12/11/2017	1
Pizzano, Stacey L.	North Andover	School	01/02/2018	1
Posnick, Helaine B.	North Andover	School	01/02/2018	1
Rubino, Darcy A.	North Andover	School	08/30/2017	1
Sanford, Muriel	Pentucket RSD	School	01/02/2018	1
Slattery, Justin C.	Topsfield	Police	02/08/2018	4
Smallenberger, Christine G.	Lynnfield Center Water	Water District Staff	01/01/2018	1
St. Pierre, Christina J.	Manchester	Town Clerk & Staff	01/15/2018	1
Toubes, Rosalie H.	North Andover	School	01/02/2018	1
Twombly, Kristine M.	Pentucket RSD	School	01/22/2018	1
Weiss, Nancy A.	Georgetown	School	01/22/2018	1

New Retirements

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the Board voted by roll call as follows; Mr. Benson, Yes; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, Yes;

Ms. Yaskell, Yes; That the following twelve members of the Essex Regional Retirement System be awarded superannuation retirement benefits calculated as follows:

1. Robert A. Blanchard, Town of Wenham, Fire Chief, Group 4
Effective Retirement Date: December 31, 2017
Monthly Retirement Allowance: \$3,801.99
Annual Retirement Allowance: \$45,623.88
2. Erin C. Chase, Pentucket Regional School District, Paraprofessional, Group 1
Effective Retirement Date: January 1, 2018
Monthly Retirement Allowance: \$514.42
Annual Retirement Allowance: \$6,173.04
3. Charles R. Denault, Town of Topsfield, Fire Captain, Group 4
Effective Retirement Date: January 15, 2018
Monthly Retirement Allowance: \$4,568.73
Annual Retirement Allowance: \$54,824.76
4. Thomas M. Hills, Town of Rowley, Police Officer, Group 4
Effective Retirement Date: December 27, 2017
Monthly Retirement Allowance: \$4,246.99
Annual Retirement Allowance: \$50,963.88
5. Angelene B. Hopping, Ipswich School Department, Administrative Assistant, Group 1
Effective Retirement Date: December 31, 2017
Monthly Retirement Allowance: \$2,611.40
Annual Retirement Allowance: \$31,336.80
6. Craig R. Lemke, Town of North Andover, I.T. System Support Analyst, Group 1
Effective Retirement Date: December 30, 2017
Monthly Retirement Allowance: \$1,934.43
Annual Retirement Allowance: \$23,213.16
7. Janet L. Lemnah, Manchester-Essex Regional School District, Teacher's Aide, Group 1
Effective Retirement Date: January 26, 2018
Monthly Retirement Allowance: \$719.74
Annual Retirement Allowance: \$8,636.88
8. Eileen M. Nylen, Ipswich School Department, Administrative Assistant, Group 1
Effective Retirement Date: December 31, 2017
Monthly Retirement Allowance: \$1,919.58
Annual Retirement Allowance: \$23,034.96

9. **Adjustment** Patricia C. Regis, Town of Boxford, Teaching Assistant, Group 1
Effective Retirement Date: June 25, 2014
Monthly Retirement Allowance: \$365.18
Annual Retirement Allowance: \$4,382.16
10. C. Denise Samolchuk, Town of Manchester, Town Clerk, Group 1
Effective Retirement Date: December 31, 2017
Monthly Retirement Allowance: \$1,764.70
Annual Retirement Allowance: \$21,176.40
11. John S. Sibbalds, Town of Manchester, Wastewater Chief Operator, Group 1
Effective Retirement Date: January 6, 2018
Monthly Retirement Allowance: \$3,728.31
Annual Retirement Allowance: \$44,739.72
12. Richard E. Swaine, Masconomet Regional School District, Facilities Technician, Group 1
Effective Retirement Date: December 29, 2017
Monthly Retirement Allowance: \$1,025.16
Annual Retirement Allowance: \$12,301.92

Creditable Service Awards

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted by roll call as follows; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, Yes; Ms. Yaskell, Yes; and Mr. Benson, abstain; 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. Ash shall be awarded five months of creditable service for the purchase of prior service as a call firefighter rendered from July 1, 2002 to September 26, 2004 with the Town of Boxford.
2. Dana Chouinard shall be awarded five years of creditable service for the purchase of prior service as a call firefighter rendered from October 1, 1992 to September 30, 1997 for the Town of Salisbury pursuant to Massachusetts General Law, Chapter 32, Section 4(2)(b)(½).
3. Claire A. Foustoukos shall be awarded two years and nine months of creditable service for the purchase of prior non-membership service rendered from August 11, 2008 to December 31, 2016 with the Town of Lynnfield.
4. John H. Joyce shall be award seven years and four months of creditable service for the purchase of prior service as a call firefighter rendered from January 1998 to February 17, 2015 with the Town of Wenham.

5. Kathryn E. Kougias shall be awarded nine months of creditable service for the purchase of prior non-membership service rendered from May 4, 1979 to February 29, 1980 with the State Retirement Board, for which they have accepted liability.
6. Susan M. Lagorio shall be awarded five months of creditable service for the purchase of her prior non-membership service rendered from November 28, 2004 to September 30, 2005 with the Town of Lynnfield.
7. Francene C. Mailloux shall be awarded one year and four months of creditable service as a correction to her account for an award of service made in March of 2013.
8. Paul Mooney shall be granted late entry into membership as of September 19, 2016 pursuant to Massachusetts General Law Chapter 32, Section 3(3).
9. Dean Palombo shall be awarded one year and three months of creditable service for the purchase of prior service as a call firefighter rendered from December 6, 1988 to April 4, 1990 with the Town of Nahant.
10. David J. Rosquete shall be awarded two years and four months of creditable service for the purchase of prior non-membership service from January 6, 2014 to January 26, 2015 and for prior service as a reserve police officer from January 27, 2015 to January 29, 2017 with the Town of Georgetown.
11. Jeffrey W. Stone shall be awarded five years of creditable service for the purchase of prior service as a call firefighter rendered from May 8, 1999 to May 7, 2004 with the Town of Ipswich.
12. Scott Waiswilo shall be awarded four years of creditable service for the purchase of prior military service rendered from September 28, 1981 to January 31, 1986 with the United States Coast Guard.

Denial of Liability

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call as follows; Mr. Benson, Yes; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, Yes; Ms. Yaskell, Yes; That the Board denies liability for past service rendered by the following individual as described below:

1. For William C. Bates as requested by the Cambridge Retirement Board for service rendered from 1993 to 1997 with the Essex County Sheriff's Office as this individual was not a member of the retirement system, did not remit contributions, and was not wrongfully excluded during this period.

Refund Warrant – February 2018

Upon a motion by Alan J. Benson, seconded by Kevin A. Merz, the Board voted by roll call as follows; Mr. Benson, Yes; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, Yes; Ms. Yaskell, Yes; To approve the refund warrant for February 2018, to refund, rollover and transfer the total accumulated deductions for seven members beginning with Debra A. Conwell and ending with Kimberly A. Van Twuyver, in the total net amount of \$41,116.48.

Name	Type	Board or Institution
Conwell, Debra A.	Withdrawal	
Hills, Thomas M.	Withdrawal	
Moberger, John C.	Withdrawal	
Murphy, Heidi A.	Withdrawal	
Mutchler, Bryce C.	Withdrawal	
Olson, Peter J.	Withdrawal	
Van Twuyver, Kimberly A.	Transfer	Massachusetts Teachers Retirement System

February Retirees Payroll

Upon a motion by Vincent R. Malgeri, seconded by Alan J. Benson, the Board voted by roll call as follows; Mr. Benson, Yes; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, Yes; Ms. Yaskell, Yes; To approve the retirement allowances for the month of January in the estimated amount of \$3,740,000.00.

ERRS Payroll

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call as follows; Mr. Benson, Yes; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, Yes; Ms. Yaskell, Yes; To approve the payment of the ERRS employee payrolls for February 2, 2018 in the amount of \$18,874.30, and February 16, 2018 in the amount of \$20,899.60.

Cash Disbursement Warrant CD2018.02

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the Board voted by roll call as follows; Mr. Benson, Yes; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, Yes; Ms. Yaskell, Yes; To approve the Cash Disbursement Warrant CD2018.02 for February 2018 as presented in the total amount of \$52,522.60.

Vendor	Amount
ASI Flex - Administrative Fee	10.00

Harper's Payroll Service	70.90
Harper's Payroll Service	84.45
Access	325.38
Amity Insurance Agency, Inc. (Fiduciary Insurance 03/01/2018-03/012019)	28,943.00
Boston Fire Extinguisher Company - Annual Inspection	50.00
Comcast - Monthly Bill	358.70
Dahab Associates, Inc. - 10/01/2017-12/31/2017	7,500.00
Town of Danvers - Electric - Suite 201	135.04
Town of Danvers - Electric - Suite 202	160.85
Gemini Property Management - Merrimack Valley - Thermostat Repair	219.00
H.C.O.P.T. - Condo Fee	1,508.00
HIQ Computers - #117520	440.00
Law Office of Michael Sacco - 2018.01	8,798.97
Lynch, Pamela - Board Meeting Supplies	74.51
NeoPost - Postage	2,000.00
NeoPost USA, Inc. - Sealer, Ink	166.00
Red Sun Press - Business Cards (Scott, Kathy, Traci)	140.00
Ricoh USA, Inc. 2018.02	288.69
S.J. Services, Inc. - Office Cleaning	233.33
W.B. Mason Company, Inc. - Office Supplies	1,015.78
Total	52,522.60

Cash Disbursement Warrant CD2018.02a

Upon a motion by Alan J. Benson, seconded by Kevin A. Merz, the Board voted by roll call as follows; Mr. Benson, Yes; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, Yes; Ms. Yaskell, Yes; To approve the Cash Disbursement Warrant CD2018.02a for wire transfers for February 2018 as presented in the total amount of \$2,000,000.00.

Vendor	Amount
PRIT Fund – Transfer to Eastern Bank	2,000,000.00
Total	2,000,000.00

Rescind Ten Month School Employee Policy/Regulation

Mr. Benson indicated that the ten-month school employee regulation needs to be rescinded and that the issues raised as part of this process then need to be addressed. Discussion ensued regarding the Group Insurance Commission's policy on not providing health

insurance to employees who are not members of a public retirement system. Mr. Kostro reviewed the history of the membership regulations adopted by the Board. Mr. Malgeri suggested that applying the current membership regulation in a manner which accommodates ten-month school employees may be a better solution than retaining this current policy. Mr. Benson indicated that as miserable as it may be, the Board needs to rescind this ten-month regulation and look for other, better alternatives to address the issue. Mr. Merz stated that he wished there was a better option to deal with the issue of school employees and until one is developed, he is not going to support rescinding this regulation. Upon a motion by Vincent R. Malgeri, seconded by H. Joseph Maney, the Board voted by roll call as follows: Mr. Benson, No; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, No; Ms. Yaskell, Yes; To rescind the regulation previously approved by the Board at its meeting on August 28, 2017 which applied to the eligibility for membership for ten-month school employees.

2018 Schedule of Annual Investment Manager Meetings

Mr. Kostro presented the schedule for the annual meetings with the investment managers. He noted that the schedule only includes those funds being actively managed. Mr. Kostro said that managers of funds that are no longer active, but which may still technically be open with a small amount of money held in escrow, are not listed. Mr. Kostro told the Board that he wanted to bring this schedule to them for their approval. He said he did this so that the Board could affirm whether they concur with meeting only with the managers of active funds. Mr. Benson noted that the fund managers should be able to make these presentations by phone. Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted by roll call as follows: Mr. Benson, Yes; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, Yes; Ms. Yaskell, Yes; To approve the following schedule for annual investment manager meetings for 2018:

June 25, 2018

Pension Reserves Investment Management (PRIM) Board (8:45 a.m.)

August 27, 2018

1. Ascent Venture Partners (9:00 a.m.)
2. BlackRock (9:15 a.m.)
3. Levine Leichtman (9:30 a.m.)

November 26, 2018

1. Boston Millennia Partners (9:00 a.m.)
2. TA Realty (9:15 a.m.)

Replacement iPads

Upon a motion by Alan J. Benson, seconded by Kevin A. Merz, the Board voted by roll call as follows: Mr. Benson, Yes; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, Yes; Ms. Yaskell, Yes; To authorize HIQ to purchase four new iPads for Board members to use to

for conducting retirement system business with a per unit price of \$329 and containing 32GB of storage and, further, that HIQ be authorized to securely dispose of the six existing iPads.

Suite 202 – Carpet Replacement

Upon a motion by Vincent R. Malgeri, seconded by Alan J. Benson, the Board voted by roll call as follows: Mr. Benson, Yes; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, Yes; Ms. Yaskell, Yes; To award a contract for the installation of new carpet in Suite 202 to A.J. Rose for an estimated price of \$5,287.15 and to authorize the Executive Director to take all necessary steps to keep the retirement system offices open during this installation and further, to pursue reimbursement for this purchase from the retirement system's insurer.

The Board took a break at 9:19 a.m.

The Board returned to open session at 9:32 a.m.

Litigation Update

ERRS Counsel Michael Sacco updated the Board on the status of the litigation pending before the Supreme Judicial Court involving the retirement system and John Swallow.

Executive Session

Upon a motion by Alan J. Benson, seconded by Kevin A. Merz, the Board voted by roll call as follows: Mr. Benson, Yes; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, Yes; Ms. Yaskell, Yes; To move to executive session to act on the disability application of Robert Blanchard.

Ms. Yaskell advised the meeting that the Board will be returning to open session upon the conclusion of the executive session only for the purpose of adjourning the meeting.

The Board entered executive session at 9:40 a.m.

The Board returned from executive session at 10:15 a.m.


While in executive session, the Board voted as follows:

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call as follows: Mr. Benson, Yes; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, Yes; Ms. Yaskell, Yes; That upon confirmation that all medical records have been received, to request PERAC to schedule a joint regional medical panel for Robert Blanchard and that Counsel be authorized to submit such questions as he may deem necessary on the Board's behalf and to record this vote in the open meeting minutes.

Motion to Adjourn

Upon a motion by Kevin A. Merz, seconded by Alan J. Benson, the Board voted by roll call as follows; Mr. Benson, Yes; Mr. Maney, Yes; Mr. Malgeri, Yes; Mr. Merz, Yes; Ms. Yaskell, Yes; To adjourn the meeting.

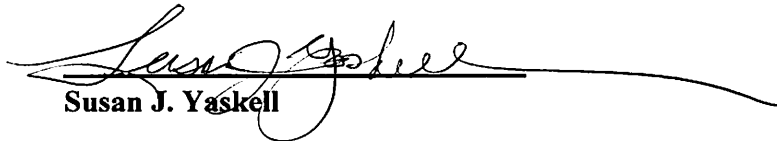
The meeting was adjourned at 10:15 a.m.



Alan J. Benson

Vincent R. Malgeri

H. Joseph Maney

Kevin A. Merz

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:

2018 COLA Hearing - Office Notice
2018 COLA Hearing Notice to Advisory Council
Agenda Posting Checklist
BlackRock - Financial and Capital Statement as of September 30, 2017
Boston Millennia Partners - Quarterly Report as of December 31, 2017
Client Alert - Vacation and Sick Pay Used to Supplement Workers Compensation
Levine Leichtman Fund III Distribution Letter dated February 21, 2018
Levine Leichtman Fund IV Distribution Letter dated January 31, 2018
Member Comments
Monthly Bank Reconciliation Report
PERAC Memo 10.2018 - 2018 Interest Rate
PERAC Memo 11.2018 - Investment Related Issues
PERAC Memo 12.2018 - Vernava Decision
PRIT Fund - January Investment Performance Report
PRIT Fund Performance Update
Response to Member on Monthly Benefit Payment
Retirement Boards Ranking by Funded Ratio as of January 1, 2018
Sacco, Michael - All Client Memo Email to Staff
Sacco, Michael - All Client Memo on Recent Decisions
Sacco, Michael - Brewer v. NBRB
Sacco, Michael - Lydon v. QRB
Sacco, Michael - Vernava- SJC Opinion
Sacco, Michael - WRRB v. CRAB
TA Realty Fund IX 2018 Annual Meeting Information
TA Realty Fund IX Distribution Notice dated February 20, 2018