

ESSEX REGIONAL RETIREMENT BOARD
REGULAR SESSION
July 27, 2020

At the regular meeting of the Essex Regional Retirement Board held on Monday, July 27, 2020, which meeting was held remotely at 8:30 a.m., the following Board members were present for all or some of the meeting: Vincent R. Malgeri, H. Joseph Maney, Kevin A. Merz and Susan J. Yaskell

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

Charles Kostro, ERRS Executive Director
Michael Sacco, ERRS Counsel
Gerry McDonough, Counsel for the Gloucester Retirement Board
Patricia Ivas, Administrator, Gloucester Retirement Board
James Hannon, ERRS Member from Middleton
Renee Davis, Powers & Sullivan

Mr. Maney called the meeting to order at 8:31 a.m. and 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 by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; and Mr. Merz, Yes; To approve the minutes of the regular and executive session of the meeting of June 29, 2020.

Statement

Mr. Malgeri stated that 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 Charles Kostro is recording this meeting via audio tape. If anyone else who has joined this meeting is recording the meeting, please identify yourself at this time. Pursuant to the order of the Governor issued on March 10, 2020 suspending certain requirements of the Open Meeting Law, this meeting is being conducted via remote participation in accordance with the provisions of the executive order which states that a quorum of the Board need not be physically present. In accordance with the provisions of the Open Meeting Law relative to the remote participation of Board members, all votes shall be by roll call.

Public Comment Period

There were no public comments.

Ms. Yaskell entered the meeting at 8:35 a.m.

New Enrollments

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; That the following named employees be enrolled in the Essex Regional Retirement System, a list of nine names beginning with Christopher Birnie and ending with Jessica Zaniewski.

Last Name	First Name	Unit	Title/Position	Enrollment Date	Group
Birnie	Christopher	Masconomet RSD	Paraprofessional	3/12/2020	1
Bonaiuto	Michael	Town of Ipswich	Firefighter	7/6/2020	4
Cleary	Jason	Town of Manchester	Fire Chief	6/29/2020	4
Estabrook-Twomey	Dianna	Town of Georgetown	Clerk	12/15/2019	1
Gorham	Shauna	Hamilton-Wenham RSD	Teaching Assistant	6/17/2020	1
Habgood	Gregory	Town of Merrimac	Firefighter	6/26/2020	4
O'Callaghan	Joseph	Town of Lynnfield	Firefighter	6/29/2020	4
Pallo	Heidi	Manchester-Essex RSD	Teaching Assistant	6/25/2020	1
Zaniewski	Jessica	Town of Boxford	Medical Secretary	11/13/2018	1

New Retirements

Upon a motion by Susan J. Yaskell, seconded by Vincent R. Malgeri, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; That the following sixteen members of the Essex Regional Retirement System be awarded superannuation retirement benefits calculated as follows:

1. Clare Baczewski, Classroom Assistant, Tri Town School Union - Group 1
Effective Retirement Date: June 12, 2020
Monthly Retirement Allowance: \$609.30
Annual Retirement Allowance: \$7,311.60
2. Jill C. Bonina, Technology Assistant, Hamilton-Wenham Regional School District – Group 1
Effective Retirement Date: July 1, 2020
Monthly Retirement Allowance: \$1,669.87
Annual Retirement Allowance: \$20,038.44
3. Leslie F. Brooks, Tutor, Masconomet Regional School District - Group 1
Effective Retirement Date: June 16, 2020
Monthly Retirement Allowance: \$697.99
Annual Retirement Allowance: \$8,375.88

4. Ann Burnham, Foodservice Worker, Hamilton-Wenham Regional School District - Group 1
Effective Retirement Date: June 16, 2020
Monthly Retirement Allowance: \$571.49
Annual Retirement Allowance: \$6,857.88
5. Dianne A. Cadigan, Education Support Professional, Town of Nahant - Group 1
Effective Retirement Date: June 19, 2020
Monthly Retirement Allowance: \$1,380.18
Annual Retirement Allowance: \$16,562.16
6. Craig L. Carlson, I.T. Administrator, Pentucket Regional School District - Group 1
Effective Retirement Date: June 30, 2020
Monthly Retirement Allowance: \$2,699.73
Annual Retirement Allowance: \$32,396.76
7. Teresa A. Clark, Education Support Professional, Town of Nahant - Group 1
Effective Retirement Date: June 12, 2020
Monthly Retirement Allowance: \$886.18
Annual Retirement Allowance: \$10,634.16
8. Lory Cristoforo, Instructional Assistant, Town of Middleton - Group 1
Effective Retirement Date: June 15, 2020
Monthly Retirement Allowance: \$692.87
Annual Retirement Allowance: \$8,314.44
9. Doris A. Dicologero, Kindergarten Aide, Town of Lynnfield - Group 1
Effective Retirement Date: June 17, 2020
Monthly Retirement Allowance: \$545.09
Annual Retirement Allowance: \$6,541.08
10. Mary E. Feltault, Teacher Aide, Tri Town School Union - Group 1
Effective Retirement Date: June 12, 2020
Monthly Retirement Allowance: \$844.74
Annual Retirement Allowance: \$10,136.88
11. Wilma S. Gooby, Extended Day Program Director, Town of Ipswich - Group 1
Effective Retirement Date: June 30, 2020
Monthly Retirement Allowance: \$3,864.97
Annual Retirement Allowance: \$46,379.64
12. Wendy M. Levy, Office Aide, Tri Town School Union - Group 1
Effective Retirement Date: June 12, 2020
Monthly Retirement Allowance: \$687.04
Annual Retirement Allowance: \$8,244.48

13. Robin E. Nolan, Chief Assessor, Town of Hamilton - Group 1
Effective Retirement Date: June 1, 2020
Monthly Retirement Allowance: \$6,003.22
Annual Retirement Allowance: \$72,038.64
14. Nancy V. Stevens, Secretary, Town of Nahant - Group 1
Effective Retirement Date: June 1, 2020
Monthly Retirement Allowance: \$2,588.99
Annual Retirement Allowance: \$31,067.88
15. Melissa K. Vlahos, Special Education Aide, Tri Town School Union - Group 1
Effective Retirement Date: June 12, 2020
Monthly Retirement Allowance: \$1,149.96
Annual Retirement Allowance: \$13,799.52
16. Michael W. Wilson, Paraprofessional, Town of Rockport - Group 1
Effective Retirement Date: June 19, 2020
Monthly Retirement Allowance: \$757.48
Annual Retirement Allowance: \$9,089.76

Option D Survivor Benefit

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; That the retirement system staff has verified that the necessary documentation has been received and that the following survivor be awarded a Section 12(2)(d) benefit calculated as follows:

1. Paul Parenteau surviving spouse of Christine Parenteau, Accounts Payable Clerk, Pentucket Regional School District, Group 1
Effective Date of Allowance: June 13, 2020
Monthly Retirement Allowance: \$1,879.44
Annual Retirement Allowance: \$22,553.28

James Hannon – PERAC Notice on Retirement

Mr. Kostro reviewed for the Board a letter from the Public Employee Retirement Administration Commission (PERAC) advising ERRS that it was their view that the dual membership provisions of MGL Chapter 32 do not apply to a member who is receiving an Accidental Disability Retirement (ADR) from one of the two systems in which they are a member. Mr. Kostro reviewed the background of Mr. Hannon's retirement in 2018 and noted that ERRS asked counsel to review this question at that time. Counsel reviewed the matter and was of the opinion that there is no exception to the dual membership requirements in Chapter 32 and that ERRS was correct in retiring Mr. Hannon for a superannuation benefit at the same time that he was retired for an ADR by the Gloucester Retirement System. Mr. Kostro said that ERRS filed a 3(8)(c) request to PERAC, which was approved in December of 2018. He also noted that he was asked for information on

Mr. Hannon's retirement by PERAC in October of 2019 in response to a request from the Gloucester Retirement System to review the approved 3(8)(c) charge. Until the letter from PERAC, received on July 3, 2020, Mr. Kostro said there was no indication that Mr. Hannon's retirement from ERRS was not correct. Mr. Kostro stated that immediately upon receipt of the letter from PERAC, Mr. Hannon was notified in writing of this decision, provided a copy of the PERAC letter, advised of the amount he would have to repay ERRS, and he was provided directions on his right to appeal this decision. Mr. Sacco, ERRS Counsel, advised the Board that the letter from PERAC was essentially a PERAC order, but that there was no formal notice of the Board's right to appeal. Mr. Sacco indicated that if the Board was inclined to appeal this order, the Board will have to go back to PERAC and request a letter with the formal appeal notice provided. Mr. Sacco then reviewed the substantive issue and noted that the statute governing dual membership in Section 5 of Chapter 32 specifically states that the dual membership provisions do not apply to Section 6, which governs ordinary disability retirements. Section 5 makes no mention of any similar exception to Section 7, which governs accidental disability retirements. Therefore, Mr. Sacco said, under the principle of statutory construction, Mr. Kostro is correct that ERRS was obligated to retire Mr. Hannon in 2018. However, Mr. Sacco noted that since there is no 3(8)(c) liability for an ADR, ERRS is really not aggrieved by the PERAC determination. He also said that the Board can appeal PERAC's order as a matter of law, but it would be arguing against its' own fiduciary interests. Mr. Sacco said that it was likely that Mr. Hannon or the Gloucester Retirement Board will appeal this decision in which case ERRS will be added as a party. Mr. Sacco said that if there is an appeal, it will likely take years for a decision to be reached. In that case, Mr. Sacco suggested that ERRS seek a stay of the requirement for Mr. Hannon to repay the Board, but the Board must cease to continue to pay him the benefit. Mr. Merz suggested that Mr. Hannon be given the option to pay the Board back now if he wishes, as interest will continue to accrue and, if the matter takes years to resolve, may result in a larger repayment than if he repaid the amount due now. Mr. Malgeri suggested that Mr. Hannon be provided an opportunity to speak. Mr. Hannon spoke to his surprise at receiving the notice after spending thirty-five years as a call firefighter and a registrar for the Town of Middleton. He discussed his personal situation and his history with the retirement system. Mr. Hannon questioned why no one from PERAC is attending this meeting. Mr. Hannon noted that he spoke with Mr. Parsons, the Executive Director of PERAC, who reassured him that it will all work out. Mr. Hannon complained about the notice he was given and pointed out that the \$23,000 he owes the retirement system can be waived and he requested that the Board waive the repayment of this amount. He also said that the Board should continue to pay him. Mr. Hannon said he should be enjoying retirement not having to deal with this issue. Mr. Hannon stated that he has filed an appeal. Mr. Hannon commented that if the retirement board wants to make themselves a nemesis to him then the Board should look themselves in their eyes about what they are doing. Mr. Sacco addressed the points raised by Mr. Hannon and reviewed the options available to the Board. Mr. Sacco stated that a waiver of the repayment is premature at this time. Discussion ensued between Mr. Sacco and Mr. Hannon about whether the Board should continue to pay him the benefit that PERAC has stated must immediately cease. Mr. Kostro noted that the benefit payment for July will be stopped as PERAC's order was to immediately stop paying him and that was what ERRS intended to do. Mr. Sacco said that his

recommendation was for the Board to comply with the PERAC order, in so far as the Board should stop paying the Essex Regional benefit. Mr. Merz asked why the Gloucester representatives were at the meeting and asked if they are just listening in or wished to speak. Mr. McDonough noted that he was just listening in. Ms. Ivas stated that she does not understand why her calculation of the disability benefit will include the ERRS earnings, and Gloucester has no 3(8)(c) option. Ms. Ivas said that the Essex Board allowed Mr. Hannon to do a substantial buyback and she believes that ERRS has a moral obligation to resolve this for Mr. Hannon. Mr. Sacco noted that the Board has no equitable jurisdiction and must follow the law. He further noted that if Gloucester has an issue with the calculation, they should appeal that issue. Mr. Hannon reiterated that the Board should continue to pay him and said he did everything right and the Board continues to attack him. He said the Board has the right to continue to pay him and should do so. Mr. Hannon noted that he will have to recuse himself from participating in this matter in Gloucester as he is on the Board. Mr. Hannon asked that a Board member make a motion to continue paying him. Mr. Malgeri reviewed some options for the July payment and future payments, and noted that the Board will discuss this further in executive session in August. He suggested in the meantime that Counsel reach out to Mr. Parsons. Mr. Merz stated that he did not support continuing to pay Mr. Hannon as the PERAC letter was clear that the payments must immediately stop. Ms. Yaskell, Mr. Maney and Mr. Malgeri all noted that they agreed with Mr. Merz. Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; To suspend the retirement benefit payments of James Hannon in accordance with the PERAC letter dated June 29, 2020 and to instruct Counsel to contact PERAC regarding a stay of the repayment of the benefits already paid. Mr. Hannon asked the Board what his next move is. Mr. Hannon asked ERRS Counsel to contact the Division of Administrative Law Appeals (DALA) to see if they have received his appeal. Mr. Hannon noted he had spoken to two firms about representing him but they had conflicts as they had previously done work for ERRS. Mr. Hannon expressed further comments about the matter to the Board. Mr. Merz noted that it was not Essex Regional that was doing anything to him. Mr. Merz stated that this situation has been generated from PERAC, not ERRS. Mr. Hannon asked if he was going to be invited to the executive session next month. Mr. Maney said yes, and Mr. Sacco clarified that Mr. Hannon will only be invited to the executive session for the limited purpose of discussing how his benefit check will be handled. Mr. Sacco noted that Mr. Hannon will not be invited to participate in that portion of the executive session that discusses litigation strategy. Mr. Hannon asked if a tape of this meeting could be available to him. Mr. Sacco replied that if he wishes to request a copy a tape of the meeting, the Board can try and make a copy available to him. Mr. Kostro wanted to advise the Board that the digital recorder ran out of space during this portion of the meeting. Since the tape recorder stopped, he has been recording the meeting on his phone. He noted that only to say if Mr. Hannon requests a tape of the meeting, it will be in two parts.

Mr. Sacco left the meeting at approximately 9:35 a.m.

Creditable Service Awards

Upon a motion by Kevin A. Merz, seconded by Susan J. Yaskell, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; 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. Samuel G. Cheney, Jr. shall be awarded one year and eight months of creditable service for prior military service with the United States Army from April 14, 1970 to January 5, 1972.

Liability Requests

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; To take the following action on requests for the acceptance of liability received by the retirement system:

1. To accept liability as requested by the Worcester Regional Retirement System on behalf of David M. Koonce, for the period from June 15, 2005 to December 31, 2007, a total of two years and six months of creditable service for which a refund was issued on March 26, 2008.
2. To reverse the prior vote of the Board and, pursuant to the Supreme Judicial Court decision in the “Gomes” matter, to deny liability as requested by the Bristol County Retirement System on behalf of Richard W. Shailor, for reserve police service for the period of September 28, 1992 to January 30, 1997 with the Town of Rowley as this individual was not eligible for membership, did not remit contributions, and was not wrongfully excluded during this period.

Refund Warrant – July 2020

Mr. Malgeri asked about the volume of refund requests. Mr. Kostro said that the Board is seeing a higher number of refund requests than usual, which may be reflective of the economic situation people find themselves in. Mr. Kostro also noted that the annual statements were recently sent out and that generally results in more refund requests. Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; To approve the refund warrant for July 2020, to refund, rollover, or transfer the accounts of the individuals listed below, a list of thirty-two members beginning with Leslie F. Brooks and ending with Patricia A. Zingarelli, in the total net amount of \$431,022.80.

Name	Type	Board or Institution
Brooks, Leslie F	Withdrawal	
Cadigan, Dianne A	Withdrawal	
Chisholm, Elise	Withdrawal	
Clark, Teresa A.	Withdrawal	
Cyr, Shannon M.	Withdrawal	
Dean, Gary P.	Transfer	Salem Retirement Board
Furlong, Timothy M.	Withdrawal	
Grande, Joseph A.	Transfer	Middlesex County Retirement System
Krenzer, Deborah Ann	Transfer	Massachusetts Teachers Retirement System
Lacey, Mary H.	Transfer	Massachusetts Teachers Retirement System
Levy, Wendy M.	Withdrawal	
Logan, Christina M.	Withdrawal	
McArdle, Donna F.	Transfer	Massachusetts Teachers Retirement System
Miller, Margaret A.	Withdrawal	
Nicolazzo, Michael C.	Transfer	Middlesex County Retirement System
Pal, Anjali	Withdrawal	
Parenteau, Christine A.	Withdrawal	
Raffalli, Deborah S.	Withdrawal	
Raffalli, Jordan P.	Withdrawal	
Ripley, Richard E.	Transfer	Middlesex County Retirement System
Rugato, Linda M.	Withdrawal	
Silva, Lynn B.	Rollover	Fidelity Management Trust
Soucy, Susan C.	Withdrawal	
Stadt, Kathryn R.	Rollover	Fidelity Management Trust
Thomas, Susan L.	Withdrawal	
Tishler, Jean A.	Withdrawal	
Vlahos, Melissa K.	Withdrawal	
Walker, Lisa M.	Withdrawal	
Wilson, Michael W.	Withdrawal	
Worobey, Kathleen	Withdrawal	
Wyman, Robert	Withdrawal	
Zingarelli, Patricia A.	Transfer	Barnstable County Retirement System

July Retirees Payroll

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; To approve the retirement allowances for the month of July in the estimated amount of \$4,250,000.00.

ERRS Payroll

Upon a motion by Susan J. Yaskell, seconded by Vincent R. Malgeri, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; To approve the payment of the ERRS employee payroll for July 3, 2020, in the amount of \$15,258.59, and for July 17, 2020, in the amount of \$15,053.15.

Cash Disbursement Warrant CD2020.07

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; To approve the Cash Disbursement Warrant CD2020.07 for July 2020 as presented in the total amount of \$45,326.57.

Vendor	Amount (\$)
Access - Monthly Fee	458.39
Arbella Insurance Group - Workers Compensation - 08/01/2020-07/31/2021	774.00
Arbella Insurance Group - Building Insurance - 08/01/2020-07/31/2020	3,224.00
Clogston, John - Return of Payment	10.00
Town of Danvers, Danvers Electric - #201 - Monthly Fee	101.42
Town of Danvers, Danvers Electric - #202 - Monthly Fee	103.90
Harpers Payroll Services - 2020.07/03	68.40
Harpers Payroll Services - 2020.07/17	43.40
Benefit Strategies - Monthly Fee	4.00
HCOPT - Condo Fees - 2020.08	1,511.00
HIQ Computers - #125361 On-Site and Remote Services for May and June	715.00
HIQ Computers - Monthly Replication Services	90.00
Law Office of Michael Sacco - 2020.06	1,115.00
Red Sun Press - Summer Newsletter	4,805.77
Segal Company - 2019 GASB 67 & 68 Report and 1/1/2020 Valuation Study	31,000.00
Ricoh USA, Inc. - Monthly Fee - 07/2020	244.57
S.J. Services - Office Cleaning - 07.2020	283.33
Comcast - Monthly Bill	408.45
W.B. Mason - Office Supplies	365.94
Total	45,326.57

Cash Disbursement Warrant CD2020.07a

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; To approve the Cash Disbursement Warrant CD2020.07a for the payment of a capital call to Ascent Venture Partners Fund V as presented in the total amount of \$70,000.

Vendor	Amount
Ascent Venture Partners - Fund V	70,000.00
Total	70,000.00

Cash Disbursement Warrant CD2020.07b

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; To approve the Cash Disbursement Warrant CD2020.07b for the wire transfer of the FY21 appropriation payments to the PRIT Fund as presented in the total amount of \$23,000,000.00.

Vendor	Amount
PRIM FY21 Appropriation Transfer	23,000,000.00
Total	23,000,000.00

Powers and Sullivan 2019 Audit Report

Renee Davis from Powers & Sullivan presented the audit of the 2019 financial statements of the retirement system. Ms. Davis noted that despite all of the things that have happened this year, this report is being finished in July, which she felt was remarkable and she thanked the Board and the staff for their cooperation during the audit process. She noted that there are no surprises in the audit and all of the numbers in the Annual Statement match the numbers in the financial statements. Ms. Davis stated that there were no issues that were discovered. Ms. Davis reviewed the “805 Report” which is the allocation of the net pension liability. She reviewed how the net pension liability is calculated and tested. Ms. Davis reminded the Board that this report is as of December 31, 2019 and much has changed since then. She did note that there is a disclosure in the audit notes about the drop in investment value this year. Ms. Davis reviewed the testing that was done and thanked the Board and the staff for providing all of the necessary information to complete the testing, including opening up the office to the audit staff for a couple of days so that they could thoroughly and safely review the files. Ms. Davis reviewed the audit and the financial statements, investment performance. She said the audit shows that the net pension liability went up, assets went up and the net pension liability went down in 2019. The funded ratio changed from 51% to 54%, reflecting the reduction in the net pension liability. Ms. Davis stated that the prior year’s findings were all considered resolved. Mr. Malgeri asked if there were any additional findings

from 2019. Ms. Davis replied that there were no audit findings in 2019. Mr. Kostro said that the Board could vote to approve the audit at the August meeting since they only received it this morning. Mr. Merz asked Ms. Davis if waiting until August to formally approve the audit would cause delays in the municipal audits. Ms. Davis responded that she has had two units contact her about when the retirement system audit will be available and that municipalities cannot complete their audits until this one is approved by the Board. Mr. Merz indicated that he is comfortable with today's presentation and is ready to vote to approve the audit. Mr. Malgeri agreed with Mr. Merz. Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; To approve the 2019 Audit Report as presented.

Rescind Posting of Retirement Analyst

Mr. Kostro reviewed the history behind the creation of the Retirement Analyst position. This position was going to be the start of a reorganization plan that would add a seventh person to the six person staff that has been in place since 2011. Mr. Kostro noted that it is a completely different world now than it was in January when this position was first proposed. He further noted that adding a staff person would increase the salary budget by approximately \$50,000 to \$60,000. Mr. Kostro said that the hiring for this position has been held since mid-March. Mr. Kostro said that he assumes that in the current environment, it is no longer feasible to add a new position to the retirement system staff and to increase the budget as had originally been planned. Mr. Kostro said that he has gone back and tried to re-configure positions in such a way as to cover all of the needed assignments but without adding a new position or significantly increasing salaries. After many iterations of new positions, he said he came back to a very similar structure to what the retirement system had before. He noted that this structure has been in place since 2015 and, when fully staffed, the structure works well. Mr. Kostro said his recommendation is to pull back on the Retirement Analyst position and re-instate the two former positions, although they have been tweaked a bit. Mr. Kostro said the salaries he came with for these two positions were based on what was paid to the former employees at the time they left, plus 2% to 2.5% roughly each year thereafter. This keeps the salaries competitive without the retirement system falling behind others in terms of pay. If things change in a year or two, maybe then the addition of a new position can be revisited. Mr. Kostro noted that his recommended plan results in a 5% increase in salaries in 2021, but that is primarily due to the reduction in the salary budget in 2019 and 2020. He noted that when compared with the salary budget in 2018, the actual increase in 2021 is closer to 1%. Mr. Kostro also noted that he presented a preliminary administrative budget, in which total spending will only increase from 2020 to 2021 by 2%. Even with a small 2% increase in the total budget in 2021, total spending will still be less than the 2018 budget. Finally, Mr. Kostro said in light of the times and what municipalities and school districts are dealing with, he did not feel that this was the right time to increase the retirement system's staff and to have a big increase the administrative budget. Ms. Yaskell said that this sounds like a good plan. Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted by roll call as follows: Mr.

Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; To rescind the Board's approval of the position of Retirement Analyst approved at its meeting of February 24, 2020.

Position Posting – Retirement Counselor II

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; To approve the position of Retirement Counselor II as presented, and to authorize the Executive Director to interview and hire a qualified candidate for this position at a salary up to \$74,000 and at a vacation accrual rate consistent with the selected candidate's years of experience, but which does not exceed four weeks per year.

Position Posting – Executive Assistant

Upon a motion by Vincent R. Malgeri, seconded by Kevin A. Merz, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; To approve the position of Executive Assistant as presented, and to authorize the Executive Director to interview and hire a qualified candidate for this position at an hourly wage of up to \$26.66 per hour and at a vacation accrual rate consistent with the selected candidates years of experience, but which does not exceed four weeks per year.

Preliminary 2021 Administrative Budget

Upon a motion by Kevin A. Merz, seconded by Vincent R. Malgeri, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; To approve the preliminary 2021 administrative budget for the retirement system in the amount of \$1,075,999.

Motion to Adjourn

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; and Ms. Yaskell, Yes; To adjourn the meeting.

The meeting adjourned at 10:04 a.m.

Vincent R. Malgeri

H. Joseph Maney

Kevin A. Merz

Susan J. Yaskell

The following materials were provided to the Board for items acted upon at the meeting:

Meeting Minutes
New Enrollments
Retirement Documents
PERAC and Other Communications Re: Retirement of James Hannon
Documents in Support of Service Purchase
Documents in Support of Liability Requests
Warrants
Job Postings
Administrative Budget Spreadsheet

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
Executive Director's Schedule
Financial Reports - Bank Reconciliation - April 2020
Financial Reports - Bank Reconciliation - May 2020
Financial Reports - June 2020 Expenditure Report
Financial Reports - May Adjustments
Financial Reports - May Disbursements
Financial Reports - May General Ledger
Financial Reports - May Receipts
Financial Reports - May Trial Balance
Financial Reports - PRIM Performance Report
Financial Reports - PRIT Fund - June 2020
Maher, Steven - Appeal Letter
PERAC Funding Schedule Approval Letter
PERAC Investment Report 2019
PERAC Pension News