

ESSEX REGIONAL RETIREMENT BOARD
REGULAR SESSION
January 25, 2021

At the regular meeting of the Essex Regional Retirement Board held on Monday, January 25, 2021, 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, Andrew J. Sheehan and Susan J. Yaskell

In attendance for all or some of the meeting as well were the following individuals:

Charles Kostro, ERRS Executive Director
Michael Sacco, ERRS Counsel

Mr. Maney called the meeting to order at 8:32 a.m.

Statement

Mr. Maney 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. 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. All members of the Board will be participating in this meeting remotely. 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.

Approval of Board Minutes

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; Mr. Sheehan, Yes, and Ms. Yaskell, Yes; To approve the minutes of the regular session of the meeting of December 21, 2020.

Public Comment Period

There were no public comments.

New Enrollments

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; That the following named employees be enrolled in the Essex Regional Retirement System, a list of twenty-four names beginning with Adrienne R. Abramowitz and ending with Reed Williamson.

Name	Unit	Department	Enrollment	
			Date	Group
Abramowitz, Adrienne R	Triton	School	10/27/2020	1
Aho, Jalen	Masconomet	School	12/21/2020	1
Albanese, Mitchell	Wenham	Highway	11/23/2020	1
Brawders, Constance M	Salisbury	Assessors	12/7/2020	1
Cluster, Elise L	Middleton	School	12/7/2020	1
Connors, Bartholomew	Wenham	Police	12/7/2020	4
Cote, Arin T	Wenham	DPW	12/7/2020	1
Emerson, Blake E	Ipswich	DPW	11/23/2020	1
Estrada, Jennifer S	Manchester-Essex	School	11/12/2020	1
Finegan, Brendan	Manchester-Essex	School	12/9/2020	1
Flanagan, Samantha K	Salisbury	DPW	01/04/2021	1
Ford, Jarred	Lynnfield	DPW	12/23/2020	1
Gruillon, Kelvin	Lynnfield	DPW	11/10/2020	1
Hewey, Jonathan	Merrimac	Police	12/21/2020	4
Houston, Timothy	North Andover	Police	11/16/2020	4
Hyland, John F	North Andover	Computer/IT	12/07/2020	1
Isabell, Brad	Hamilton	DPW	12/7/2020	1
Lebreck, Kerry M	Triton	School	10/14/2020	1
Mastrangelo, Anthony J	Hamilton	Police	12/1/2020	4
Paglia, Attilio J	Boxford	Police	11/23/2020	4
Peary, Donna	Lynnfield	Assessor	11/30/2020	1
Pollard, John	North Andover	Police	11/16/2020	4
Quadros, Nicole	Masconomet	School	12/7/2020	1
Williamson, Reed	Wenham	Highway	12/7/2020	1

New Retirements

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

1. James Digianvittorio, Police Chief, Town of Middleton - Group 4
Effective Retirement Date: December 15, 2020
Monthly Retirement Allowance: \$8,381.25
Annual Retirement Allowance: \$100,575.00
2. Marie S. Gardner, Administrative Assistant, Town of Lynnfield - Group 1
Effective Retirement Date: December 1, 2020
Monthly Retirement Allowance: \$2,232.93
Annual Retirement Allowance: \$26,795.16

3. Rose Marie Karigianis, Teacher Aide, Town of North Andover - Group 1
Effective Retirement Date: November 28, 2020
Monthly Retirement Allowance: \$947.96
Annual Retirement Allowance: \$11,375.52
4. Peter P. Limbek, Instructional Aide, Triton Regional School District - Group 1
Effective Retirement Date: November 30, 2020
Monthly Retirement Allowance: \$1,039.25
Annual Retirement Allowance: \$12,471.00
5. Tobin C. Perkins, Equipment Operator/Leader, Town of Ipswich - Group 1
Effective Retirement Date: December 1, 2020
Monthly Retirement Allowance: \$2,893.11
Annual Retirement Allowance: \$34,717.32
6. Steven F. Sforza, Police Sergeant, Town of Salisbury - Group 4
Effective Retirement Date: December 1, 2020
Monthly Retirement Allowance: \$5,030.28
Annual Retirement Allowance: \$60,363.36

Creditable Service Awards

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; That the retirement system staff has verified that the required payment having been received, that the following member of the Essex Regional Retirement System be awarded creditable service as follows:

1. Daniel J. Concessi shall be awarded two years and two months of creditable service for the purchase of military service rendered from March 1, 1966 to May 27, 1968 with the United States Marine Corps.

Refund Warrant – January 2021

Upon a motion by Susan J. Yaskell, seconded by Kevin A. Merz, the Board voted by roll call as follows: Mr. Malgeri, Yes; Mr. Maney, Yes; Mr. Merz, Yes; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To approve the refund warrant for January 2021, to refund, rollover, or transfer the accounts of the individuals listed below, a list of five members beginning with James A. Digianvittorio and ending with Jonathan M. Veno, in the total net amount of \$40,514.23.

Name	Type	Board or Institution
Digianvittorio, James A.	Withdrawal	

Letourneau, William G.	Rollover	Pershing LLC
Perkins, Tobin C.	Withdrawal	
Quinones, Cesar	Withdrawal	
Veno, Jonathan M.	Withdrawal	

December Retirees 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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To approve the retirement allowances for the month of December in the actual amount of \$4,227,480.30.

January Retirees Payroll

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

ERRS Payroll

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To approve the payment of the ERRS employee payrolls for December 31, 2020, in the amount of \$20,091.80, and for January 15, 2021 in the amount of \$19,198.79.

Cash Disbursement Warrant CD2021.01

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To approve the Cash Disbursement Warrant CD2021.01 for January 2021 as presented in the total amount of \$31,061.51.

Vendor	Amount (\$)
Town of Danvers, Danvers Electric - #201 - Monthly Fee	118.42
Town of Danvers, Danvers Electric - #202 - Monthly Fee	135.12
Group Insurance Commission - Health - 10/01/2020-12/31/2020	7,659.15
Benefit Strategies Administrative Fee - 12/2020	1.00
Harper's Payroll Service - 2020.12.31	83.85

Harper's Payroll Service - 2021.01.15	45.30
HCOPT - Condo Fees - 2021.02	1,511.00
HIQ Computers - #127317 - Laptop Set-Up and Various Remote Service	797.50
HIQ Computers - Monthly Replication Services	90.00
Law Offices of Michael Sacco - 2020.12	2,714.00
MACRS - 2020 Dues	600.00
Access - Record Storage - Monthly Fee	458.39
Breen & Sullivan Mechanical Services - HVAC Heat Pump	9,995.00
Comcast - Monthly Fee	471.82
Quadient Finance, USA, Inc. – Postage	1,000.00
Red Sun Press - Winter 2020/2021 Newsletter	4,853.06
Ricoh - Monthly Fee	244.57
S.J. Services, Inc. - Office Cleaning - Monthly Fee	283.33
Total	31,061.51

Cash Disbursement Warrant CD2021.01a

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To approve the Cash Disbursement Warrant CD2021.01a for the wire transfer of funds from the PRIT Cash Fund to Eastern Bank as presented in the total amount of \$2,000,000.00.

Vendor	Amount
PRIM Fund Transfer to Eastern Bank - December 2020	2,000,000.00
Total	2,000,000.00

91A Non-Compliance Hearing – Paul Alosky

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To table any action on the retirement benefit of Paul Alosky until the February meeting.

91A Non-Compliance Hearing – Cheryl Martin

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To table any action on the retirement benefit of Cheryl Martin at this time in light of the communications received by ERRS from PERAC concerning the submission of the required material by the member.

91A Non-Compliance Hearing – Ralph Matthes

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To table any action on the retirement benefit of Ralph Matthes until the February meeting.

91A Non-Compliance Hearing – William Morrison

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To table any action on the retirement benefit of William Morrison at this time in light of the submission of the required material by the member.

91A Over-Earnings – Edward Mitchell

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; Pursuant to the letter issued by PERAC dated December 14, 2020, the Board will withhold from the retirement benefit of Edward Mitchell the sum of \$1,176.82 per month beginning in February of 2021 through the month of December 2022, or until such time as the \$27,066.85 in excess earnings has been recovered. Mr. Malgeri asked if these non-compliance individuals are the same people from prior years. Mr. Kostro responded that several of these individuals have not been in compliance in prior years, but at least one individual is new to this list. Mr. Kostro reviewed for the Board the 91A process. He noted that in December the Board was notified by PERAC that ten members who were retired for disability had not complied with the 91A annual reporting requirements. By the December Board meeting, all ten of these members

indicated that they were either in compliance or were in the process. These four individuals who were presented to the Board today were brought to ERRS' attention via notices in PROSPER from PERAC. Mr. Kostro said that a second non-compliance letter was sent to these individuals and that Jan Coen did a series of follow up calls with them. As a result, working right up through this past Friday afternoon, PERAC has notified ERRS that all four of these members have complied or are in the process of complying with the reporting requirements of 91A. Mr. Mitchell, Mr. Kostro said, is an over-earnings issue. He noted that in the Board's packet is the correspondence from PERAC and ERRS regarding his over-earnings. Mr. Kostro said he received a voicemail message from Mr. Mitchell last week stating that he would not be writing a check for this amount and that we should take it from his benefit payment. Mr. Kostro said he developed the three repayment plan alternatives and returned Mr. Mitchell's call to speak with him about these options. However, Mr. Mitchell did not return his call so Mr. Kostro is recommending the Board select the middle of the three options, paying back the over-earnings on a two-year repayment plan. Mr. Malgeri said that he knows the Board is aware that once these individuals who have not filed all the proper paperwork are voted to have their benefit terminated, they do not get it back. He said that ERRS is being very conservative in handling these issues with these members. Mr. Kostro reviewed the history of how these matters have been handled at ERRS and said that Mr. Malgeri is correct and reviewed a case involving ERRS in which this position was upheld by DALA. Mr. Kostro also noted the outstanding work of Jan Coen handling these 91A reporting issues.

Schedule FY2021 COLA Hearing

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To schedule as part of the regular monthly meeting, a hearing to consider a Cost-of-Living Adjustment of up to 3% for eligible members of the retirement system for Monday, April 26, 2021, at 8:30 a.m., and that the Advisory Council be provided at least thirty days' notice of such hearing pursuant to Massachusetts General Law Chapter 32, Section 103(i).

Revote of Salary

Mr. Kostro noted that he wrote the incorrect salary in the Board's motion for his salary at their December meeting. This corrects that error, and he noted, there is only a \$48 difference with this change in the salary amount. Mr. Kostro said this vote brings his salary in-line with the amount agreed upon in his employment agreement. 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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To correct the Board's vote of December 21, 2020 and to approve the salary of the Executive Director at \$152,450.00 effective as of January 1, 2021, as per the Employment Agreement, rather than the previously approved amount of \$152,402.00, which was in error.

Executive Assistant - Revised

Mr. Merz said this is a good time to discuss personnel and asked Mr. Kostro to describe this proposed position and the next one that is on the agenda and asked him to explain what it is he is trying to do. Mr. Kostro said that the Board has probably seen that Kathy Carleton has submitted her notice of retirement for June of this year, but with the vacation time she has earned, he said that she will likely be effectively leaving by May. Mr. Kostro noted that this is the fifth employee to leave ERRS, out of a staff of six, in the past three years and three or so months. He reviewed for the Board the prior posting of the Executive Assistant position and that multiple selected candidates had turned down the position, primarily citing that the salary was too low. Mr. Kostro said that he had submitted the previously approved revised position posting for the Executive Assistant position to Attorney Sacco for his review. Mr. Sacco suggested a few changes, particularly that the nature of the Executive Assistant position is one that should be salaried and exempt, not the hourly, non-exempt position previously approved. Mr. Kostro has made those and other changes and is asking the Board to approve this latest revision to this position description. Mr. Kostro then described his conversations with Kathy Carleton upon receiving her notice of retirement. Mr. Kostro said that in July of 2020, he had drafted a Director of Member Services position, which he considered an upgrade on the Retirement Counselor position and with which he increased the salary range to be offered. He noted that a version of this position had been discussed when the Board was considering expanding the staff from six to seven full-time employees. However, Mr. Kostro pulled this position description and went back to the original Retirement Counselor position description, as he was concerned about the budgetary effect of upgrading salaries for two positions at the same time. Unbeknownst to him, however, Kathy saw this position description in the Board packet. In his current discussions with Kathy, she recommended that he reconsider that position, particularly given that the timing is different now, with an employee only recently hired and who has not had a great deal of experience in her position yet. Mr. Kostro said he went back, made some updates to this position description and bumped up the salary range. He noted that in the Board's packet there is a position description recently posted by the Brockton Retirement Board for an Administrative Assistant/Retirement Analyst, with a salary range whose floor of \$60,000 is greater than the upper range of the ERRS Executive Assistant position, and whose ceiling of \$80,000 is only \$5,000 less than what he is proposing for the high end of the Director of Member Services. Mr. Kostro said his goal is to attract an experienced candidate who will stay with the retirement system for some time and help restore some stability to the organization. He noted how difficult it has been over the past three years to work through constant turnover and being repeatedly short-handed for extended periods of time. Mr. Kostro said that losing five employees out of a staff of six over three years has been a real challenge. He did point out that these upgrades in salaries will have an effect of the employees' salary budget next year. He felt that nothing needed to be done in this budget year as he believes he can work through it this year. Mr. Kostro noted that employee's salary budget has been kept down for a long time and, in fact, went down for two consecutive years recently. Mr. Kostro said that these positions are an attempt restore stability to the retirement system. Mr. Kostro also noted that not only has the retirement system lost a lot of employees in recent years, but it has lost a lot of talent as well. He said that hopefully this plan will stabilize the retirement system and get it

back to where it was just a few years ago. Board members noted their agreement with this 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; Mr. Sheehan, 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 with a starting salary range of \$57,000 to \$59,000, and at a vacation accrual rate consistent with the selected candidate's years of experience, but which does not exceed four weeks per year.

Director of Member Services

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To approve the position of Director of Member Services as presented, and to authorize the Executive Director to interview and hire a qualified candidate for this position with a starting salary range of \$78,000 to \$85,000 and at a vacation accrual rate consistent with the selected candidate's years of experience, but which does not exceed four weeks per year. Mr. Merz asked if the Executive Director wanted to do these interviews on his own, or if the Board wanted members to participate in the interviews. He said that he was fine with the Executive Director conducting the interviews, but that in the past Board members had sometimes participated. Mr. Malgeri noted that Board members had participated in the past but that the Board has moved away from this and had left it to the Executive Director to do the hiring. Mr. Malgeri felt that the new process was more streamlined and has been working well, and that he was happy to let the Executive Director conduct the interviews and do the hiring. Mr. Maney, Ms. Yaskell and Mr. Sheehan concurred with Mr. Malgeri.

Final 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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To approve the final draft of the 2021 administrative budget in the total amount of \$1,075,179, and to direct the Executive Director to provide this narrative to the Chief Executives and Advisory Council representatives of the retirement system.

Executive Session

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To move to executive session to discuss litigation strategy in the matter of Worcester Regional Retirement System, et al., v. PERAC, Middlesex Superior Court, Civil Action No. 2019-00602 as an open meeting may have a detrimental effect on the litigating position of the retirement system.

Statement of the Chair

Mr. Maney stated 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 9:06 a.m.

While in executive session, the Board voted as follows: 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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To continue the appeal in the matter of the Worcester Regional Retirement System, et al., v. PERAC, Middlesex Superior Court, Civil Action No. 2019-00602.

The Board returned from executive session at 9:22 a.m.

Motion to Adjourn

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

The meeting adjourned at 9:23 a.m.

Vincent R. Malgeri

H. Joseph Maney

Kevin A. Merz

Andrew J. Sheehan

Susan J. Yaskell

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

Meeting Minutes
New Enrollments
Retirement and Benefit Calculation Supporting Documents
Warrants
Creditable Service Award Letter
91A Benefit Termination Letters
91A Over-Earnings Letter
PERAC Memo #4/2021 – COLA
Executive Director Employment Agreement
Kathy Carleton Notice of Retirement
Executive Assistant Position Posting
Director of Member Services Position Posting
Final 2021 Administrative Budget
WCVB Channel 5 Public Records Request – Jeffrey French Retirement

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
Deduction Report Posting Log - 10.2020 - October 2020
Deduction Report Posting Log - 11.2020 - November 2020
Deduction Report Posting Log - 12.2020 - December 2020
Draft Minutes - Advisory Council Meeting.11182020
Executive Director's Schedule
Final Public Records Requests and Responses Report.2020
Financial Reports - 2020.09 - Bank Reconciliations - September 2020
Financial Reports - 2020.11 - Adjustments - November 2020
Financial Reports - 2020.11 - Disbursements - November 2020
Financial Reports - 2020.11 - General Ledger - November 2020
Financial Reports - 2020.11 - Receipts - November 2020
Financial Reports - 2020.11 - Trial Balance - November 2020
Financial Reports – 2021.01 – Cash Flow
FY2022 Appropriation Letter
PERAC MEMO #5 2021 - PROSPER SFI Training
Prescott, David - PERAC Section 101 Award Letter and Documents
PRIM Board Q3 2020 Quarterly Update
PRIT Fund - Essex Performance Update - December 2020
PRIT Fund - Essex Performance Update - November 2020
PRIT Fund Performance Update - December 2020
PRIT Fund Performance Update - November 2020
Sacco, Michael - All Client Memo - PERAC Memo #38
Shailor, Richard - Joint Defense Agreement