

**ESSEX REGIONAL RETIREMENT BOARD
REGULAR SESSION
February 28, 2022**

At the regular meeting of the Essex Regional Retirement Board held on Monday, February 28, 2022, at 491 Maple Street, Suite 201 at 8:30 a.m., the following Board members were present for all or some of the meeting: Vincent R. Malgeri, H. Joseph Maney (remote), Kevin A. Merz, Andrew J. Sheehan, and Susan J. Yaskell.

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

Charles Kostro, ERRS Executive Director
Cassandra Green, ERRS Executive Assistant
Lisa VanDermark, Segal Company (remote)

Ms. Yaskell called the meeting to order at 8:30 a.m. The Board said the Pledge of Allegiance.

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 Cassandra Green is recording this meeting. If anyone else is recording the meeting, please identify yourself at this time.

Further, 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. In Mr. Maney's absence, I will be chairing this meeting as required. All votes at this meeting will be by roll call.

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; Mr. Merz, Yes; Mr. Sheehan, Abstained; and Ms. Yaskell, Yes; To approve the minutes of the regular and executive session of the meeting of January 31, 2022.

Public Comment Period

There were no public comments.

Segal Company – 2022 Valuation Study Kick Off Meeting

Ms. VanDermark gave a presentation, focusing on the actuarial assumptions and the funding schedule in particular, and asked the Board for their thoughts on the net investment return assumption. Mr. Merz stated he would like to see the retirement system at a 7% assumed rate of return. Mr. Malgeri and Mr. Sheehan agreed.

Ms. VanDermark asked if there has been any discussion about increasing the COLA base. Ms. Yaskell responded that the possibility had been raised at a previous meeting, though there has been no further discussion. Mr. Merz said he would like to see options ranging between the current COLA base of \$14,000 and up to \$16,000, to gain an understanding of the effect on the retirement system's unfunded liability. Ms. VanDermark said she is happy to look into this, though the request is out of scope and will incur an additional fee, probably of \$2000-\$3000. Mr. Merz asked if it would be more cost-effective to run one scenario instead of two; Ms. VanDermark said the price would be a little lower, but most of the cost comes from running the first scenario. Mr. Sheehan stated he would like to look at both \$15,000 and \$16,000, and the other members agreed. Ms. Yaskell directed Lisa to run both scenarios, and stated the Board understands there will be an additional fee.

Ms. VanDermark asked the Board if it is more critical to adhere to the current funding schedule and be fully funded by 2035, or to control increases to the annual appropriation. Mr. Merz said that he would like to see the retirement system become fully funded by 2035. Mr. Kostro noted that, in general, the member units are looking forward to lower increases in their annual appropriation.

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; That the following named employees be enrolled in the Essex Regional Retirement System, a list of thirty names beginning with Norma Bird and ending with Meggie Young.

| Last Name | First Name | Unit | Title/Position | Enrollment Date | Group |
|------------------|-------------------|--------------------|--------------------------------|------------------------|--------------|
| Bird | Norma | Pentucket | Paraprofessional | 10/08/2021 | 1 |
| Brito | Maria | North Andover | Parent Liaison | 10/04/2021 | 1 |
| Brouillette | Jennifer | Pentucket | Food Service Worker | 08/25/2021 | 1 |
| Carens | Kevin | Masconomet | Paraprofessional | 12/7/2021 | 1 |
| Chadwick | Matthew | Masconomet | Paraprofessional | 9/27/2021 | 1 |
| Clunie | Crystal | North Andover | Case Worker | 11/01/2021 | 1 |
| Creamer | Stephanie | Triton | Instructional Assistant | 09/27/2021 | 1 |
| Early | Alexis | Georgetown | Instructional Paraprofessional | 10/25/2021 | 1 |
| Greeno | Jonathan | Salisbury | Assessor-Director | 11/15/2021 | 1 |
| Gregory | Diana | Triton | Instructional Assistant | 10/27/2021 | 1 |
| Guzman | Janee | North Andover H. A | Administrative Assistant | 09/15/2021 | 1 |
| Haley | Bridget | Georgetown | Café Worker | 12/1/2021 | 1 |
| Iarrobino | Christine | Pentucket | Paraprofessional | 09/24/2021 | 1 |
| Lam | Carolyn | North Andover | Public Health Nurse | 12/06/2021 | 1 |
| LaValley | Scott | Merrimac | Police Officer | 11/15/2021 | 4 |
| McGovern | Michelle | Wenham | T.A. Executive Assistant | 11/29/2021 | 1 |
| Monahan | Keith | Rowley | Water Laborer | 9/14/2021 | 1 |
| Morrison | Brenda | Georgetown | Instructional Paraprofessional | 11/1/2021 | 1 |

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|-------------|----------|------------------|--------------------------|------------|---|
| Palazzo | Dennis | Hamilton | Director of HHS | 11/08/2021 | 1 |
| Powers | Abigail | Manchester-Essex | Teacher Aide | 11/01/2021 | 1 |
| Sanborn | Jocelyn | Manchester-Essex | Accounts P/R | 11/01/2021 | 1 |
| Schmidt | Isabella | Manchester-Essex | Teacher Aide- Special Ed | 12/01/2021 | 1 |
| Sherber | Kathryn | Nahant | Inspectional Services | 9/19/2021 | 1 |
| Skane | Tyler | Georgetown | Dispatcher | 11/28/2021 | 1 |
| Tilston | Calum | Boxford | Firefighter | 11/01/2021 | 4 |
| Titcomb | Tyra | Triton | Office Clerk | 09/17/2021 | 1 |
| White | Cameron | North Andover | Social Programs Director | 11/29/2021 | 1 |
| White-Hogue | Ashley | Pentucket | Coordinator | 03/22/2021 | 1 |
| Williams | Danielle | North Andover | Teacher Aide | 10/18/2021 | 1 |
| Young | Meggie | Manchester-Essex | Teacher Aide | 10/28/2021 | 1 |

New Retirements

Mr. Merz commented to wish his colleague, Ms. Johnson, the best in retirement and remarked on her phenomenal work and dedication throughout her career. Upon a motion by Vincent R. Malgeri, seconded by Andrew J. Sheehan, 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 members of the Essex Regional Retirement System be awarded retirement benefits calculated as presented, a list of 11 names, beginning with Barry Belanger and ending with William Tyack:

1. Barry Belanger, Computer Support Technician, Town of Georgetown, Group 1
Effective Retirement Date: January 29, 2022
Monthly Retirement Allowance: \$3,751.32
Annual Retirement Allowance: \$45,015.84
2. John Chmura, Wastewater Plant Operator, Town of Ipswich, Group 1
Effective Retirement Date: December 31, 2021
Monthly Retirement Allowance: \$4,284.66
Annual Retirement Allowance: \$51,415.92
3. Irene Costoplus, Administrative Assistant/Clerical, Town of Ipswich, Group 1
Effective Retirement Date: December 31, 2021

Monthly Retirement Allowance: \$2,871.22
Annual Retirement Allowance: \$34,454.64
4. Judith Farrow, Administrative Assistant, Town of North Andover, Group 1
Effective Retirement Date: December 31, 2021
Monthly Retirement Allowance: \$1,696.05
Annual Retirement Allowance: \$20,352.60
5. Dianne Ferrara, Administrative Assistant. HR, Pentucket RSD, Group 1

Effective Retirement Date: February 1, 2022
Monthly Retirement Allowance: \$4,117.26
Annual Retirement Allowance: \$49,407.12

6. Melinda Johnson, Paraprofessional, Town of Lynnfield, Group 1
Effective Retirement Date: December 31, 2021
Monthly Retirement Allowance: \$328.25
Annual Retirement Allowance: \$3,939.00
7. Sarah Johnson, Finance Director, Town of Ipswich, Group 1
Effective Retirement Date: January 28, 2022
Monthly Retirement Allowance: \$4,967.54
Annual Retirement Allowance: \$59,610.48
8. Jose Morel, Bus Driver, Town of North Andover, Group 1
Effective Retirement Date: January 22, 2022
Monthly Retirement Allowance: \$898.58
Annual Retirement Allowance: \$10,782.96
9. Joan Murphy, Transition Specialist, Masconomet RSD, Group 1
Effective Retirement Date: December 23, 2021
Monthly Retirement Allowance: \$1,185.66
Annual Retirement Allowance: \$14,227.92
10. Deann Shaw, Instructional IA, Triton RSD, Group 1
Effective Retirement Date: November 8, 2021
Monthly Retirement Allowance: \$1,362.41
Annual Retirement Allowance: \$16,348.92
11. William Tyack, DPW Director, Town of Wenham, Group 1
Effective Retirement Date: December 31, 2021
Monthly Retirement Allowance: \$6,259.17
Annual Retirement Allowance: \$75,110.04

Creditable Service Awards

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; That the retirement system staff has verified that the required payment having been received, that the following two members of the Essex Regional Retirement System be awarded creditable service as presented below:

1. Mary Ann Cummings shall be awarded two months of creditable service for prior non-membership service rendered from September 15, 2006 to May 20, 2008, with the Town of North Andover.
2. Kimberly Smith shall be awarded one year and two months of creditable service for prior non-membership service rendered from November 27, 2013 to November 20, 2015, with the Town of Lynnfield.

Liability Requests

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To take the following actions on a request for the acceptance of liability received by the retirement system:

1. To accept, upon proper payment, one year and seven months of liability as requested by the Massachusetts Teachers' Retirement System on behalf of Paula M. Frithsen, for prior refunded service rendered with the Town of Rockport from August 22, 1980 to March 31, 1982.

Installment Plan

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 an installment payment plan for the member listed below subject to the terms and conditions as presented:

1. John M. Monaco III shall pay the \$212.23 per weekly pay period for thirty-six months beginning on March 2, 2022 for the purchase of prior refunded service with the State Retirement Board from July 9, 2001 to November 30, 2002, and with the Essex Regional Retirement System from August 13, 2006 to April 26, 2007.

Refund Warrant – February 2022

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To approve the refund warrant for February 2022, to refund, rollover, or transfer the accounts of the individuals as presented below, a list of 30 members beginning with Frank Antonucci and ending with Thomas Whittredge, in the total net amount of \$536,268.21.

| Name | Type | Board or Institution |
|---------------------|-------------|-----------------------------|
| Antonucci, Frank V. | Transfer | State Retirement Board |
| Belanger, Barry J. | Withdrawal | |

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|------------------------|------------|--------------------------------------|
| Benecke, Lisa C. | Transfer | Marblehead Retirement Board |
| Cardillo, Matthew J. | Transfer | Mass Teachers Retirement System |
| Caulfield, Carolyn M. | Transfer | Mass Teachers Retirement System |
| Chase, Tyler Kenneth | Transfer | Amesbury Retirement Board |
| Collins, Kathleen F. | Transfer | Marblehead Retirement Board |
| Craig, Lisa M. | Transfer | Marblehead Retirement Board |
| DeLano, Michelle T. | Transfer | Newburyport Retirement Board |
| Desmond Cole S. | Rollover | Charles Schwab |
| Fernandes, James | Withdrawal | |
| Fletcher, Amy E. | Transfer | Mass Teachers Retirement System |
| Fritz, Annmarie | Withdrawal | |
| Gash, Stephanie A. | Transfer | Middlesex County Retirement Board |
| Giard, Kathleen M. | Withdrawal | |
| Graves, Donald H. | Rollover | Ameriprise Trust Co. |
| Hickey, Heidi E. | Withdrawal | |
| Holak, Christopher T. | Transfer | Marblehead Retirement Board |
| Houten, Timothy P. | Transfer | Lawrence Retirement Board |
| Leveille, Daniel A. | Transfer | Amesbury Retirement Board |
| McLaughlin, Collin J. | Transfer | Mass Teachers Retirement System |
| Mullen, Brian D. | Transfer | Newburyport Retirement Board |
| Protopapas, Sandra E. | Transfer | Amesbury Retirement Board |
| Rodgers, Maria M. | Transfer | Mass Teachers Retirement System |
| Sciandra, Elizabeth W. | Rollover | Fidelity Investments |
| Sculley, Brian J. | Transfer | Reading Retirement Board |
| Shaw, Deann Lynne | Withdrawal | |
| Stewart, Stephanie M. | Transfer | Haverhill Retirement Board |
| Sullivan, Cathy A. | Withdrawal | |
| Whittredge, Thomas R. | Transfer | Saugus Contributory Retirement Board |

February Retirees Payroll

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 retirement allowances for the month of February 2022 in the actual amount of \$4,541,244.87.

ERRS Payroll

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 payment of the ERRS employee payroll for February 11, 2022, in the amount of \$20,606.87, and for February 25, 2022, in the amount of \$22,481.87.

Cash Disbursement Warrant CD2022.02

Mr. Kostro noted that the cost of the system's fiduciary insurance came in at \$33,237, about 10% lower than was budgeted. 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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To approve the Cash Disbursement Warrant CD2022.02 for February 2022 as presented below in the total amount of \$47,104.60.

| Vendor | Amount (\$) |
|--|--------------------|
| Access - Records Storage - Monthly Fee | 598.50 |
| Benefit Strategies - Monthly Administrative Fee | 1.00 |
| Comcast - Monthly Fee - Internet | 237.47 |
| Comcast - Monthly Fee - Phone | 305.45 |
| Town of Danvers, Danvers Electric - #201 - Monthly Fee | 111.66 |
| Town of Danvers, Danvers Electric - #202 - Monthly Fee | 151.19 |
| Harper's Payroll Service - 2022.02.11 | 55.31 |
| Harper's Payroll Service - 2022.02.25 | 93.86 |
| HCOPT - Monthly Condo Fees | 1,554.00 |
| HIQ Computers - #131405 | 520.00 |
| HIQ Computers - #13133 | 220.00 |
| HIQ Computers - Monthly Replication Services | 90.00 |
| Law Offices of Michael Sacco - 2022.01 | 4,899.76 |
| Quadient Finance, USA, Inc. - Postage | 4,000.00 |
| Ricoh USA, Inc. - 2022.02 | 244.57 |

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| S.J. Services - Office Cleaning - 2022.01 | 283.33 |
| Wayne Alarm Systems - 03.01.22-08.31.22 | 257.70 |
| WB Mason - Office Supplies | 243.80 |
| Amity Insurance Agency, Inc. - 3/22-3/23 | 33,237.00 |
| Total | 47,104.60 |

Cash Disbursement Warrant CD2022.02a – PRIT Fund Transfer

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To approve the Cash Disbursement Warrant CD2022.02a for a transfer from the PRIT Fund as presented below in the total amount of \$4,000,000.00.

| Vendor | Amount |
|---|----------------|
| Transfer from PRIT Cash to Eastern Bank | \$4,000,000.00 |
| Total | \$4,000,000.00 |

Executive Director's Employment Agreement

Mr. Kostro stated that an early draft of the agreement has already been circulated and that there will be a meeting of the sub-committee immediately following this meeting. He also noted that there were no substantive changes to the previous agreement. Mr. Sheehan asked if the term would be three or five years; Mr. Malgeri responded it will be a five-year term.

Line-Item Transfers – 2021 Administrative Budget

Mr. Kostro reported that 2021 ended about \$50,000 under budget. He noted that, although it was anticipated, this is the first time in several years there has been a double-digit increase in health insurance premiums. Mr. Malgeri asked if the Maintenance & Repair expense was related to the flooding; Mr. Kostro said no, it was for a minor repair needed in the office. 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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To transfer from the Reserve Fund in the 2021 administrative budget the sum of \$23,309 to the following line-items in the amounts listed below:

To Employee Salaries the sum of \$665;
To Storage Facility the sum of \$1,157;
To Maintenance & Repair Expense the sum of \$194;
To Actuarial the sum of \$500;

To IT Consulting Services the sum of \$5,050;
To Health, Life and Dental Insurance the sum of \$13,051;
To Unemployment Insurance Charges the sum of \$537;
To Telephone/Internet the sum of \$1,256; and,
To Office Supplies the sum of \$899.

2022 Census Update

Mr. Kostro stated that the process is going extremely well, with more affidavits returned in the first round than in any previous year, and noted that Ms. Green and Mr. Provensal have been instrumental in ensuring the process goes as smoothly as possible. Ms. Green remarked that the 2022 biennial affidavits were mailed out on January 3rd, with 88% returned to date and about 250 yet to be returned. She noted that most have been returned by mail, though about 1 in 8 have been returned by members in person, and the next step is to mail second notices to those who have not yet returned their affidavits. Finally, she reported that the 2020 affidavits have now been scanned and saved to the shared drive, a step that had been delayed due to the onset of the pandemic and shutdown in March 2020.

Membership Coordinator – Position Description

Mr. Kostro wished Ms. Masterson the best in her future endeavors. He stated that he believes the office is in a very good position for this transition, as Ms. Green has been posting deductions for a portion of the membership for the last six months and he has been personally involved in processing new enrollments. He noted that he made only a few minor changes to the job description, which will have a starting salary range of \$60,000-\$65,000, and he is asking for the Board to approve the description so it can be posted. Mr. Kostro noted that the current annual pay for the position is about \$62,800. Mr. Malgeri remarked that there was a similar position posted at the MWRA with a salary range of \$65,000-\$85,000; he clarified that he is not suggesting a change to the pay range for this position, but commented that it is conservative by comparison. Mr. Kostro further pointed out that the position will now be an exempt, salaried position, as this job calls for decision-making, discretion, knowledge, and experience on a level with a management-type position. 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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To approve the description for the position of Membership Coordinator as an exempt, salaried position, with a starting salary range of \$60,000 to \$65,000.

Motion to Adjourn

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; Mr. Sheehan, Yes; and Ms. Yaskell, Yes; To adjourn the meeting.

The meeting adjourned at 9:34 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
Valuation Study Documents
New Enrollments
Retirement and Benefit Calculation Supporting Documents
Creditable Service Award Letters
Liability Letters
Installment Plan Documents
Warrants
2021 Budget Documents
Position Description

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 Posting Log - January 2022
Disability 91A Tracking Report - Update.02142022
Executive Director's Schedule
Financial Reports - Boston Millennia II - Q4 2021 Investment Report
Financial Reports - Expenditure Report - January 2022
Financial Reports - Monthly Bank Reconciliation - December 2021
Financial Reports - Monthly Cash Flow - February 2022
Financial Reports - PRIM Board Q4 2021 Quarterly Update
Financial Reports - PRIT Fund Asset Allocation Presentation – 2022
Financial Reports - PRIT Fund ERRS Performance - January 2022
Financial Reports - PRIT Fund Performance Presentation – 2021
Financial Reports - PRIT Performance Update - January 2022
Investment Manager Meetings and Fund Status - 2022
MACRS Fiduciary Insurance Certificate - 2022-2023
Sacco, Michael - All Client Memo -Section 3(8)(c)
Sacco, Michael - DALA Decision - Six Year Limitation on 3.8.C Payments