

ESSEX REGIONAL RETIREMENT BOARD

August 26, 2019

At the regular meeting of the Essex Regional Retirement Board held on Monday, August 26, 2019, at 491 Maple Street, Suite 201 at 8:30 a.m. the following Board members were present for all or some of the meeting: Alan J. Benson, Vincent R. Malgeri, H. Joseph Maney, Kevin A. Merz (via telephone), and Susan J. Yaskell.

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

Charles Kostro, ERRS Executive Director

Christina Parr, ERRS Executive Assistant

Dana Goldstein, Levine Leichtman (via teleconference)

Board Chair H. Joseph Maney called the meeting to order at 8:34 a.m.

The Board said the pledge of allegiance.

Remote Participation Announcement

H. Joseph Maney stated that in pursuant of 940 CMR 29.10, it has been deemed permissible for Board member, Kevin A. Merz to participate in this regular session meeting remotely. Mr. Maney reminds the board that during this session, for those in attendance that all votes taken during a meeting where a member participates remotely, shall be taken by roll call. Mr. Maney then states that this public meeting is being recorded and that Mr. Merz can hear the board clearly and vice versa.

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. Merz, Yes; Mr. Benson, Yes; Mr. Maney, Yes; Mr. Malgeri, Yes; Ms. Yaskell, Yes; To approve the minutes of the regular and executive session of the meeting of July 29, 2019.

Public Comment Period

There were no public comments.

Annual Statement of Earned Income

Mr. Malgeri questioned the footnote regarding the August 1, 2019 date noted in the motions. Mr. Kostro stated that Mr. Bonnell was on the original list of retirees to have his benefit terminated for failure to comply and originally had been scheduled for the hearings at the Board's July meeting. A notice letter was sent to him at that time providing him an opportunity to be heard at the board meeting in July. Prior to the July meeting, PERAC changed Mr. Bonnell's status from final

termination to pending, in anticipation of receiving proper documentation from Mr. Bonnell. PERAC did not receive this documentation, and subsequently sent a letter to him advising him that his benefit would be terminated if he did not comply. PERAC changed Mr. Bonnell's status in PROSPER to Final Termination on August 15th. Mr. Bonnell has received multiple notices from PERAC and ERRS, and while his certified mail was returned as it was not picked up, the letter sent regular mail was not returned. In addition, phone calls have been made to him by ERRS staff and messages have been left, but no return call from Mr. Bonnell has been received. Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the board voted by roll call as follows; Mr. Merz; Yes, Mr. Benson; Yes, Mr. Maney; Yes, Mr. Malgeri; Yes, Ms. Yaskell; Yes; That the retirement benefit of the following member be terminated effective as of August 1, 2019 and shall remain terminated until such time as PERAC notifies the Board that the member listed below has complied with the requirements of Massachusetts General Law Chapter 32, Section 91A:

Paul Bonnell

New Enrollments

Upon a motion by Alan J. Benson, seconded by Susan J. Yaskell, the board voted by roll call as follows; Mr. Merz; Yes, Mr. Benson; Yes, Mr. Maney; Yes, Mr. Malgeri; Yes, Ms. Yaskell; Yes; That the following named employees be enrolled in the Essex Regional Retirement System, a list of forty-one names beginning with Brian M. Belifore and ending with Jason M. Waldron.

<u>Name</u>	<u>Unit Name</u>	<u>Department</u>	<u>Date</u>	<u>Group</u>
Belifore, Brian M	Georgetown	Fire	7/1/2019	4
Carrol, Michelle lee	Hamilton	Town Admin/Staff	7/1/2019	1
Chase, Tyler	Triton	School	4/29/2019	1
Coco, Jennifer A	Salisbury	School	9/3/2019	1
Curran, Charles B	Topsfield	Police	7/1/2019	4
Driscoll, James	Georgetown	Fire	7/1/2019	4
Ellis, Kristine	Hamilton	Fire	7/1/2019	4
Fox, Lauren M	Lynnfield	Library	9/2/2019	1
Hambling, Joanna L	North Andover	School	8/28/2019	1
Hansbury, Wendelyn	Topsfield	Board of Health	7/24/2019	1
Hill, James R	Middleton	School	7/2/2019	1
Jordan, Kevin	Middleton	School	8/26/2019	1
Lane, Cara A	Georgetown	Light Department	6/10/2019	1
Liberti, Justin J	Middleton	Library	7/9/2019	1
Maher, Steven M	Salisbury	Board of Health	7/1/2019	1
Marsh, Cara M	Salisbury	Library	7/24/2019	1
McCormack, Kevin	North Andover	IT/Computer Support	6/10/2019	1
McDonald, Keith D	Rowley	Water	7/2/2019	1
McManus, Joseph H	Groveland	Police	7/1/2019	4

Miles, Lorraine	Triton	School	8/26/2019	1
Morgan, Alysha M	Georgetown	School	8/5/2019	1
Morneau, Matthew R	Topsfield	Police	7/1/2019	4
Morrison, Macy	Triton	School	8/27/2019	1
Myers, Mary R	Manchester/Essex	School	8/26/2019	1
Nadeau, Matthew S	Rowley	Highway	7/29/2019	1
Naumann, Brianna	Lynnfield	School	7/15/2019	1
Olbrot, Christopher A	Boxford	DPW	6/24/2019	1
Page, John M	Georgetown	Police/Dispatcher	8/11/2019	1
Paradis, Roxanna	Pentucket	School	8/28/2019	1
Parr, Christina N	Essex Regional Ret	Office	7/22/2019	1
Peters, Marianne M	Hamilton	Clerk	7/15/2019	1
Porter, Abigail	Lynnfield	Library	6/12/2019	1
Sanborn, Drew	Lynnfield	Media	7/1/2019	1
Sanford, Lauren	North Andover	Recreation	6/24/2019	1
Sergi, Stephanie G	Newbury	Assessor	6/10/2019	1
Shaffer, Patricia M	North Andover	School	7/29/2019	1
Shepard, Steven J	Topsfield	Parks	7/1/2019	1
Smith, Kathleen J	Ipswich	Utilities	6/10/2019	1
Sobezenski, Kaleigh D	Triton	School	7/1/2019	1
Strazzullo, Dennis D	Ipswich	DPW	8/26/2019	1
Waldron, Jason M	Manchester/Essex	School/Facilities	7/8/2019	1

New Retirements

Upon a motion made by Alan J. Benson, seconded by Susan J. Yaskell, the board voted by roll call as follows; Mr. Merz; Yes, Mr. Benson; Yes, Mr. Maney; Yes, Mr. Malgeri; Yes, Ms. Yaskell; Yes; That the following ten members of the Essex Regional Retirement System be awarded superannuation retirement benefits calculated as follows:

1. Cheryl J. Booth, Treasurer/Collector, Town of Hamilton, Group 1
Effective Retirement Date: June 30, 2019
Monthly Retirement Allowance: \$2,876.67
Annual Retirement Allowance: \$34,520.04
2. Joyce A. Bradshaw, Town Clerk, Town of North Andover, Group 1
Effective Retirement Date: July 19, 2019
Monthly Retirement Allowance: \$3,967.23
Annual Retirement Allowance: \$47,606.76
3. Robert A. Currier, Police Officer, Town of Middleton, Group 4
Effective Retirement Date: July 2, 2019
Monthly Retirement Allowance: \$4,801.53
Annual Retirement Allowance: \$57,618.36

4. John C. Dold, D.P.W. Superintendent, Town of Boxford, Group 1
Effective Retirement Date: July 5, 2019
Monthly Retirement Allowance: \$3,842.82
Annual Retirement Allowance: \$46,113.84
5. James H. Edwards, Fire Lieutenant, Town of Ipswich, Group 4
Effective Retirement Date: July 5, 2019
Monthly Retirement Allowance: \$4,437.54
Annual Retirement Allowance: \$53,250.48
6. Patricia A. Hall, Special Education Aide, Town of Lynnfield, Group 1
Effective Retirement Date: June 14, 2019
Monthly Retirement Allowance: \$754.75
Annual Retirement Allowance: \$9,057.00
7. Diane E. Morrison, Fire Chief Secretary, Town of North Andover, Group 1
Effective Retirement Date: July 26, 2019
Monthly Retirement Allowance: \$3,091.63
Annual Retirement Allowance: \$37,099.56
8. Jay B. Smith, Conservation Agent, Town of West Newbury, Group 1
Effective Retirement Date: June 30, 2019
Monthly Retirement Allowance: \$1,998.02
Annual Retirement Allowance: \$23,976.24
9. John H. Walsh, Fire Captain, Town of Lynnfield, Group 4
Effective Retirement Date: July 15, 2019
Monthly Retirement Allowance: \$4,523.16
Annual Retirement Allowance: \$54,277.92
10. Catherina Zelano, Director of Assessors, Town of Hamilton, Group 1
Effective Retirement Date: June 30, 2019
Monthly Retirement Allowance: \$3,317.77
Annual Retirement Allowance: \$39,813.24

Creditable Service Awards

Upon a motion by Vincent R. Malgeri, seconded by Susan J. Yaskell, the board voted by roll call as follows; Mr. Merz; Yes, Mr. Benson; Yes, Mr. Maney; Yes, Mr. Malgeri; Yes, Ms. Yaskell; Yes; That the retirement system staff has verified that the required payments having been received, that the following six members of the Essex Regional Retirement System be awarded creditable service as follows:

1. Victoria Aguilar shall be awarded seven months of creditable service for prior non-membership service rendered from November 5, 2001 to April 30, 2003 with the

Masconomet Regional School District, provided that such service shall be granted upon receipt of the requested payroll records.

2. Glenn A. Davis shall be awarded nineteen years and one month of creditable service at no cost for prior call firefighter service rendered from December 1, 1990 to December 31, 2018 with the Town of Lynnfield.
3. Katrina E. Delgado-Carney shall be awarded nine months of creditable service for prior non-membership service rendered from January 1, 2002 to February 28, 2005 with the Town of North Andover.
4. Richard F. Hills shall be awarded two years and eight months of creditable service for prior non-membership service rendered from September 3, 1981 to May 31, 1984 with the town of West Newbury.
5. Daniel J. Jenkins shall be awarded one month of creditable service for prior non-membership service rendered from September 1, 2011 to March 1, 2012 with the Town of Newbury.
6. Brook L. Lindley shall be awarded five years and six months of creditable service at no cost for her prior reserve police service rendered from July 1, 2009 to June 30, 2016 with the Town of Boxford.

Liability Requests

Upon a motion by Susan J. Yaskell, seconded by Vincent R. Malgeri, the board voted by roll call as follows; Mr. Merz; Yes, Mr. Benson; Yes, Mr. Maney; Yes, Mr. Malgeri; Yes, 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 State Retirement Board on behalf of Nancy L. Gerardi for four years of creditable service for prior refunded service rendered from January 1, 1997 to January 5, 2001 with the Masconomet Regional School District.
2. To deny liability as requested by the Massachusetts Teachers' Retirement System on behalf of Karen M. Kim as this individual was not a member of the retirement system during the period requested, did not remit contributions, and was not wrongfully excluded from membership.

Refund Warrant – August 2019

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the board voted by roll call as follows; Mr. Merz; Yes, Mr. Benson; Yes, Mr. Maney; Yes, Mr. Malgeri; Yes, Ms. Yaskell; Yes; To approve the refund warrant for August 2019, to refund, rollover, or transfer the accounts of the individuals listed below, a list of twenty-three members beginning with Lisa Ann Alder and ending with Catherina Zelano, in the total net amount of \$344,732.34.

Name	Type	Board or Institution
Alder, Lisa Ann	Withdrawal	
Batista, Anabela T.	Transfer	Reading Retirement Board
Brown, Samuel E.	Withdrawal	
Bruker, Barbara P.	Withdrawal	
Canarie-McGrath, Lori A.	Withdrawal	
Currier, Robert A.	Withdrawal	
Cusick, Jr., Thomas D.	Withdrawal	
Dold, John C.	Withdrawal	
Ferullo, Nicolina Louise	Withdrawal	
Geilen, Alicia K.	Transfer	State Retirement Board
Hall, Patricia A.	Withdrawal	
Ingraham, Dannielle M.	Withdrawal	
Lawless, Marsha J.	Rollover	LPL Financial LLC
Leary, Mark Edward	Rollover	TCA by E*Trade
Lombardi, Peter S.	Transfer	Barnstable County Retirement System
Luciano, Gina	Transfer	Andover Retirement Board
Politano, James M.	Transfer	State Retirement Board
Posnick, Helaine B.	Rollover	Fidelity Trust Company
Raymond, Adam A.	Withdrawal	
Santos, Bethany E.	Transfer	Massachusetts Teachers Retirement System
Stanley, Michelle E.	Transfer	Lexington Retirement Board
Valentine, Megan K.	Transfer	Massachusetts Teachers Retirement System
Zelano, Catherina	Withdrawal	

August Retirees Payroll

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the board voted by roll call as follows; Mr. Merz; Yes, Mr. Benson; Yes, Mr. Maney; Yes, Mr. Malgeri; Yes, Ms. Yaskell; Yes; To approve the retirement allowances for the month of August in the estimated amount of \$4,100,000.00.

ERRS Payroll

Upon a motion by Susan J. Yaskell, seconded by Vincent R. Malgeri, the board voted by roll call as follows; Mr. Merz; Yes, Mr. Benson; Yes, Mr. Maney; Yes, Mr. Malgeri; Yes, Ms. Yaskell;

Yes; To approve the payment of the ERRS employee payrolls for August 2, 2019, in the amount of \$17,526.66, and for August 16, 2019 in the amount of \$18,220.41.

Cash Disbursement Warrant CD2019.08

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the board voted by roll call as follows; Mr. Merz; Yes, Mr. Benson; Yes, Mr. Maney; Yes, Mr. Malgeri; Yes, Ms. Yaskell; Yes; To approve the Cash Disbursement Warrant CD2019.08 for August 2019 as presented in the total amount of \$20,687.18.

Vendor	Amount
Access – Monthly Fee	395.30
Benefit Strategies – Monthly Administrative Fees	4.00
Comcast – Monthly Fee	405.85
Town of Danvers, Danvers Electric - #201 – Monthly Fee	128.93
Town of Danvers, Danvers Electric - #202 – Monthly Fee	123.42
Harpers Payroll Services – 2019.08.02	70.30
Harpers Payroll Services – 2019.08.16	80.30
HCOPT – Condo Fees	1,511.00
HIQ Computers - #122385 – Spam Services Renewal	450.00
HIQ Computers - #122334 – Computer Set-Up for New Employee	495.00
HIQ Computers – Monthly Replication Services	90.00
Law Office of Michael Sacco – 2019.07	13,286.00
NeoFunds by NeoPost – Postage	1,000.00
Parr, Christina – Expense Reimbursement	177.49
Pension Benefit Monitoring – 2019-2020	1,800.00
S.J. Services, Inc. – Office Cleaning – 2019.08	241.67
W.B. Mason – Office Supplies – 2019.07	427.92
Total	20,687.18

Preliminary 2020 Administrative Budget

Mr. Kostro presented the preliminary 2020 ERRS administrative budget. He reminded the Board that the preliminary budget is generally presented to them in August, and then a draft budget, incorporating their comments and changes, is presented in September. Upon the Board's approval of the draft budget, it is then presented to the Advisory Council with the Board approving the final budget in December. Mr. Kostro noted that a memo was in the Board's packet describing the proposed changes in the 2020 administrative budget compared to 2019. Mr. Kostro said that the proposed budget is 1.2% less than the approved 2019 budget, and is the seventh time in the past nine years that the administrative budget is less than the year before. His memo to the Board also noted that the 2020 administrative budget request of \$1,045,966 is the second lowest

administrative budget request in the past ten years. Mr. Kostro said that for employee salaries, it is the same plan as last year, with a 2% COLA for all eligible employees and a \$3,000 reserve item for merit pay increases. Mr. Kostro explained that merit pay increases are only for employees with at least one year of service, are dependent upon the employee's annual performance review, and since five employees are potentially eligible for merit pay increases, this increase is capped at no more than \$600 per employee. Mr. Kostro also said that of the eligible employees who may receive both the 2% COLA and the maximum \$600 merit increase, none of these employees would have a total salary increase of more than 2.9%. Mr. Kostro said the biggest proposed savings in the 2020 budget is in administrative expenses. He reviewed several of the proposed reductions, particularly the elimination of the printing and mailing costs for the twice annual newsletter. Mr. Kostro said that the feedback received on the newsletters is minimal, that the printing and mailing costs are very high, and that an electronic newsletter is much more efficient. He said that the newsletter will still be printed but it will be posted to the website. Mr. Kostro said that instructions will go out to retirees and members in the last printed newsletter this fall and in other regular communications, that you can sign up via the website to have the electronic newsletter emailed directly to you via the subscriber service. Discussion ensued about whether PTG could develop an email distribution list based on information in the database and Mr. Kostro indicated that he will look into that option. Upon a motion by Vincent R. Malgeri, seconded by Alan J. Benson, the board voted by roll call as follows; Mr. Merz; Yes, Mr. Benson; Yes, Mr. Maney; Yes, Mr. Malgeri; Yes, Ms. Yaskell; Yes; To approve the preliminary 2020 administrative budget as presented, in the total amount of \$1,045,966, representing a reduction of 1.2% compared to the 2019 administrative budget.

Office Cleaning IFB

Upon a motion by Alan J. Benson, seconded by Vincent R. Malgeri, the board voted by roll call as follows; Mr. Merz; Yes, Mr. Benson; Yes, Mr. Maney; Yes, Mr. Malgeri; Yes, Ms. Yaskell; Yes; To approve the invitation for bids for office cleaning services as presented.

1/1/2020 Valuation Schedule and Update

Mr. Kostro updated the Board on his recent discussion with Segal Company on the proposed schedule for the 1/1/2020 valuation study. He indicated that Segal Company believes that the valuation study does not need to start until February, rather than the November start that occurred for the 1/1/2018 study. The early start in the last valuation study was necessary as Segal Company was newly hired at that time. As this was different than the Board's understanding of what the schedule may be for this year, Mr. Kostro wanted to bring this to their attention. Mr. Kostro described the potential options for the Board as part of the valuation study and noted that Segal Company indicated that any alternative funding schedules that may result in additional coding work will be outside the scope of the current contract and may result in additional costs.

Levine Leichtman Annual Meeting

Dana Goldstein from Levine Leichtman joined the meeting via teleconference. She described the performance of Fund III and Fund IV. Ms. Goldstein noted that both funds are winding down. Mr. Maney congratulated Ms. Goldstein on the performance of these two funds.

Litigation Items

Mr. Kostro noted that there were several litigation items in the Board's packet and that an executive session was on the agenda to discuss these items. He also noted that the Board could discuss these items in open session if it wished to do so, or it could move to adjourn. Mr. Malgeri noted that most of the litigation items were dismissals. A brief discussion ensued on the appeal of Kim DiOrio-McGonnell and the Board's role in approving disability applications.

Motion to Adjourn

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

The meeting was adjourned at 9:36 a.m.

Alan J. Benson

Vincent R. Malgeri

Vincent R. Malgeri

H. Joseph Maney

H. Joseph Maney

Kevin A. Merz

Kevin A. Merz

Susan J. Yaskell

Susan J. Yaskell

The following are a portion of the materials provided to the Board for items acted upon at the meeting:

Meeting Minutes from July 29, 2019
New Enrollments
Retirement Calculations
Creditable Service Award Letters
Liability Request Response Letters
Warrants
Preliminary 2020 Administrative Budget
Office Cleaning IFB
Levine Leichtman Annual Investors Presentation

In addition to the materials provided to the Board for items acted upon at the meeting, the following documents were also provided:

Agenda Posting Checklist
BlackRock Distribution Notice dated August 9, 2019
Executive Director's Schedule
Financial Reports - 06 - June Adjustments
Financial Reports - 06 - June Disbursements
Financial Reports - 06 - June General Ledger
Financial Reports - 06 - June Receipts
Financial Reports - 06 - June Trial Balance
Financial Reports - 06 - Monthly Reconciliation Report
Financial Reports - 07 - July Monthly Expenditure Report
Financial Reports - 08 - Monthly Cash Flow Report
PRIM - Michael Trotsky to Receive Lifetime Achievement Award - Institutional Investor
PRIM Board Meeting Report
PRIM Board Q2 Markets Overview and Summary
Public Records Tracking.2019