

SALEM RETIREMENT BOARD
OPEN SESSION MEETING MINUTES
SEPTEMBER 30, 2020
12:00 P.M.

In attendance at this regular meeting of the Salem Retirement Board (“the Board”), via zoom webinar, were Dominick Pangallo (Chair), Laurie Giardella, Sarah M. Hayes, and Marcia A. Pelletier. Also in attendance were Board Treasurer Kathleen McMahon, Executive Director Paul Findlen, fifth member applicant James M. Fleming, fifth member applicant Michael Caira, and fifth member applicant Eric Wagner.

Remote Participation Announcement

Mr. Pangallo announced that, “pursuant to Governor Baker’s March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §20, and the Governor’s March 15, 2020 Order imposing strict limitations on the number of people that may gather in one place, this meeting of the Salem Contributory Retirement Board is being conducted via remote participation. No in-person attendance of members of the public will be permitted, but every effort will be made to ensure that the public can adequately access the proceedings as provided for in the Order. Persons who would like to listen or view this meeting while in progress may do so by visiting <https://zoom.us/join>, entering meeting ID # ‘868 5188 1745’ as directed on the webpage, and clicking ‘Join’. Follow the on-screen instructions to join the meeting. You can also dial a toll-free phone number at 877-853-5257 to join the meeting. When prompted, enter meeting ID # ‘868 5188 1745’ and then follow the instructions to join the meeting. All votes taken by this body shall be by roll call vote. To offer public comment, participants may click the ‘Raise Hand’ button or, if on the phone, may press *9 to raise their hand to speak.” Mr. Pangallo also announced that public comment will be permitted upon the conclusion of the Fifth Member interviews.

I. Fifth Member Interviews

Four applicants were invited to interview with the Board for the position of Fifth Member of the Board. The applicants appeared as follows:

- 1) James M. Fleming: Mr. Fleming joined the meeting at 12:03 p.m., and answered several questions regarding his relevant experience and discussed his experience serving as the Chairman for MWRA Retirement Board, as well as his educational background and qualifications. Mr. Fleming discussed his experience in matters relating to investment management, and the manner in which that experience has prepared him to serve as a board member. Mr. Fleming’s interview was concluded at 12:15 p.m., and Mr. Fleming remained in the meeting as an attendee.
- 2) Michael Caira: Mr. Caira joined the meeting at 12:15 p.m., and answered several questions regarding his relevant experience and discussed his experience working as the Town Manager for the town of Wilmington, as well as his experience serving in various roles for the Commonwealth of Massachusetts. Mr. Caira also discussed his experience in matters relating to M.G.L. c. 32, and the manner in which that experience has prepared him to serve as a board member. Mr. Caira’s interview was concluded at 12:27 p.m., and Mr. Caira remained in the meeting as an attendee.

- 3) Eric Wagner: Mr. Wagner joined the meeting at 12:30 p.m., and answered several questions regarding his relevant experience and discussed his experience working with various types of retirement plans. Mr. Wagner also discussed his experience in matters relating to retirement benefits financing, and the manner in which that experience has prepared him to serve as a board member. Mr. Wagner left the meeting at 12:40 p.m.

The Board discussed the qualifications of each of the three candidates. On a motion made by Ms. Pelletier and seconded by Ms. Hayes, the Board voted by roll call: Ms. Hayes, yes, Ms. Giardella, no, Ms. Pelletier, yes, Mr. Pangallo, no, to appoint James M. Fleming as the Fifth member of the Board. As a result of the tie vote, the motion did not carry. Mr. Pangallo raised the possibility that Ms. Hayes' vote could meet the definition of an ethical conflict of interest due to her relationship to Mr. Fleming as his sister. Ms. Hayes assured Mr. Pangallo that she had discussed the issue with Board Attorney Thomas Gibson and that Attorney Gibson had indicated to her that there was no conflict of interest. Mr. Pangallo relayed a contrary opinion expressed by Salem City Solicitor, Beth Rennard, and said that he would contact Attorney Gibson to discuss the matter further.

II. Regular Matters of Business

Meeting Minutes

The minutes of the previous Board meeting, held on August 26, 2020, were reviewed and, on a motion made by Ms. Giardella and seconded by Ms. Hayes, the Board voted by roll call: Ms. Giardella, yes, Ms. Hayes, yes, Mr. Pangallo, yes, Ms. Pelletier, yes, to approve the August meeting minutes as submitted.

Monthly Warrants

The warrants for the month of September were reviewed and, on a motion made by Ms. Pelletier and seconded by Ms. Giardella, the Board voted by roll call: Ms. Giardella, yes, Ms. Hayes, yes, Mr. Pangallo, yes, Ms. Pelletier, yes, to approve the September warrants as submitted.

Applications to Purchase Service

There were no applications to purchase service that required the Board's attention.

Recent Enrollments

All recent new enrollments were reviewed. On a motion made by Ms. Giardella and seconded by Ms. Hayes, the Board voted by roll call: Ms. Giardella, yes, Ms. Hayes, yes, Mr. Pangallo, yes, Ms. Pelletier, yes, to acknowledge the new enrollments as submitted.

Benefit Calculation Results

All benefit calculation results for the month of September were reviewed and, on a motion made by Ms. Pelletier and seconded by Ms. Hayes, the Board voted by roll call: Ms. Giardella, yes, Ms. Hayes, yes, Mr. Pangallo, yes, Ms. Pelletier, yes, to approve the September benefit calculation results for Candace L. Levesque; Donna J. Nadeau; Karen M. Nekoroski; Sandra L. McDonald; Kelli A. Orso; Raul V. Pinheiro; Marianna Barbrick; Irene C. Sylvanowicz; Marilyn M. Foster; and Richard L. Arno Jr, as submitted. The members of the Board commended Mr. Findlen for processing the high volume of applications.

III. Treasurer's Report

Board Treasurer, Kathleen McMahon, presented a comprehensive report on the monthly reconciliation performed on behalf of the Board. The Board reviewed the reconciliation report for the month of August. On a motion made by Ms. Pelletier and seconded by Ms. Hayes, the Board voted by roll call: Ms. Giardella, yes, Ms. Hayes, yes, Mr. Pangallo, yes, Ms. Pelletier, yes, to accept the Treasurer's Report as submitted.

IV. Executive Director's Report

Mr. Findlen presented the Board with a report on all cash receipts for the month of August, as well as a trial balance for the month of August, for the Board's review. Mr. Findlen also presented the Board with a monthly expenditure report for the month of August, a monthly report on the traffic experienced by the Board's website, and a monthly report of the Employee Self-Service portal usage, as well as the August 2019 reports on the traffic experienced by the Board's website and the Employee Self-Service portal usage, for comparative purposes. The Board reviewed monthly statements of the SCRB's investment in the PRIT Core Fund, prepared by the MA PRIM Board. The PRIT Core Fund grew by approximately 2.38% in the month of August, raising the fund's return to a positive 1.89% for the calendar year. The Board reviewed the PRIM Quarterly Update for Q2 of 2020, as well as the FY2020 PRIT Compliant presentation. Mr. Findlen also reported to the Board that the Central Plaza Condominiums would be under the management for J. Butler Management, as of October 1, 2020, after Gibraltar Management notified all units that they would be terminating their business relationship with Central Plaza as of September 30, 2020. Mr. Findlen requested a discussion of the affidavits required from benefit recipients, as prescribed in 840 CMR 15.01. Ms. Pelletier suggested that this matter be brought up under "New Business". On a motion made by Ms. Pelletier and seconded by Ms. Hayes, the Board voted by roll call: Ms. Giardella, yes, Ms. Hayes, yes, Mr. Pangallo, yes, Ms. Pelletier, yes, to acknowledge the Executive Director's Report.

V. PERAC Memos & News

The Board reviewed memo #27, and discussed relevant PERAC news.

VI. Actuarial Valuation

The Board reviewed the actuarial assumption change recommendations made by Segal, as well as the funding schedule proposed by Segal. Ms. Pelletier expressed her opinion that, given the current global financial uncertainty, now would not be a prudent time to raise the COLA base for eligible benefit recipients. On a motion made by Ms. Pelletier and seconded by Ms. Giardella, the Board voted by roll call: Ms. Giardella, yes, Ms. Hayes, yes, Mr. Pangallo, yes, Ms. Pelletier, yes, to adopt Funding Schedule I. On a motion Ms. Giardella and seconded by Ms. Pelletier, the Board voted by roll call: Ms. Giardella, yes, Ms. Hayes, yes, Mr. Pangallo, yes, Ms. Pelletier, yes, to adopt the 3.0% salary assumption, as well as a \$5million liability load assumption for 3(8)(c) payments.

VII. Old Business

There were no old business matters that required the Board's attention.

VIII. New Business

Mr. Findlen presented the Board with 840 CMR 15.01, which requires that each retirement board shall require benefit recipients to submit an affidavit to the board, no less frequently than once every two years. Mr. Findlen noted that the SCRB had satisfied this requirement for 2020 by successfully completing the process in 2019, and that, in light of recommended precautions to curb the spread of COVID-19, it would be wise to wait until next year to consider resuming the process. On a motion made by Ms. Pelletier and seconded by Ms. Giardella, the Board voted by roll call: Ms. Giardella, yes, Ms. Hayes, yes, Mr. Pangallo, yes, Ms. Pelletier, yes, to resume the benefit verification affidavit process in 2021.

The Board confirmed the scheduling of the next regular meeting, which will be held on Wednesday, October 28, 2020, at 12:00 p.m.

On a motion made by Ms. Pelletier and seconded by Ms. Hayes, the Board voted by roll call: Ms. Giardella, yes, Ms. Hayes, yes, Mr. Pangallo, yes, Ms. Pelletier, yes, to adjourn the meeting at 1:35 p.m.

Dominick Pangallo, Chair

Laurie Giardella

Sarah M. Hayes

Marcia A. Pelletier

Documents used in SCRB Board meeting of September 30, 2020

- Agenda for September 30, 2020 SCRB Board meeting
- Fifth Member Applicant Resumes
- Open Session minutes of August 26, 2020 SCRB Board meeting
- September Cash Disbursements Warrant
- New Member Enrollment Report
- Benefit Calculations Results report
- August Treasurer's Report
- August Cash Receipts
- August Trial Balance
- August monthly expenditure report
- PRIT Fund August Statement
- PRIM Performance Update
- PRIM Q2 Quarterly Update
- PRIT FY2020 Compliance Report
- Monthly ESS Usage Report
- August 2019 Monthly ESS Usage Report
- Monthly Website Traffic Report
- August 2019 Monthly Website Traffic Report
- Gibraltar Management Announcement
- PERAC Memo #27/2020
- Preliminary Valuation Report
- 840 CMR 15.01