

SALEM RETIREMENT BOARD  
OPEN SESSION MEETING MINUTES  
DECEMBER 28, 2021  
12:00 P.M.

In attendance at this regular meeting of the Salem Retirement Board (“the Board”), via zoom webinar, were Dominick Pangallo (Chair), Anna E. Freedman, Robert W. Callahan, and Sarah M. Hayes

Absent: Matt Veno

Also in attendance were Board Attorneys Thomas F. Gibson and Gerald McDonough, Board Treasurer Kathleen McMahon and Executive Director Paul Findlen

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, and the June 16, 2021 signing of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, which includes an extension, until April 1, 2022, of the remote meeting provisions of his March 12, 2020, Executive Order Suspending Certain Provisions of the Open Meeting Law, 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 # ‘819 4886 4993’ 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 833-548-0276 to join the meeting. When prompted, enter meeting ID # ‘819 4886 4993’ 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.”

**I. Involuntary Retirement Hearing held in Executive Session**

On a motion made by Ms. Freedman and seconded by Ms. Hayes, the Board voted by roll call to enter into Executive Session under Purpose 7 of the Open Meeting Law and in compliance with exemption (c) of the Public Records Law (G.L. c. 4, s. 7(26)(c)) exempting personnel and medical files or information and other materials or data relating to a specifically named individual, the disclosure of which may constitute an unwarranted invasion of personal privacy. On roll call, the vote was as follows:

VOTED:	Robert W. Callahan	Yes
	Anna E. Freedman	Yes
	Sarah M. Hayes	Yes
	Chair Dominick Pangallo	Yes

At approximately 12:02 p.m. the Board went into Executive Session. The Chair stated that the Board would return to Open Session.

At approximately 12:13 p.m. the Board reconvened in Open Session and the Chair announced the Board's actions during Executive Session on the following items:

## **INVOLUNTARY RETIREMENT**

### **1. Paul L. Michaud Jr.**

The involuntary retirement application for superannuation benefits submitted on behalf of Paul L. Michaud Jr., was withdrawn by his employer, the City of Salem Fire Department

### **VIII. New Business (taken out of order)**

Attorney Gibson discussed new cybersecurity protocols and new PERAC standards for evaluating a system's cybersecurity, amidst the growing threat of cyberattacks on retirement systems. Attorney Gibson also discussed the rising popularity of pension obligation bonds, and reiterated that they are a fixed debt and the retirement Board has no role in determining if a municipality takes out a pension obligation bond. Attorney Gibson also reported that there had been no movement from the state senate and house to override the governor's veto of the pandemic bonus structure.

### **II. Election Results**

Mr. Findlen informed the Board of the results of the simultaneous election held on November 29<sup>th</sup>, in which Bob Callahan was elected to serve as the First Elected Member of the Board, after receiving the most votes, and Sally Hayes was elected to serve as the Second Elected Member of the Board. The members of the Board congratulated Bob and Sally on their election victories.

### **III. Regular Matters of Business**

#### Meeting Minutes

The minutes of the previous Board meeting, held on November 24, 2021, were reviewed and, on a motion made by Ms. Freedman and seconded by Ms. Hayes, the Board voted by roll call: Mr. Callahan, present, Ms. Freedman, yes, Ms. Hayes, yes, Mr. Pangallo, yes, to approve the November meeting minutes as submitted (Mr. Callahan abstained due to the November meeting being held prior to his election to the Board).

#### Monthly Warrants

The warrants for the month of December were reviewed. On a motion made by Ms. Hayes and seconded by Mr. Callahan, the Board voted by roll call: Mr. Callahan, yes, Ms. Freedman, yes, Ms. Hayes, yes, Mr. Pangallo, yes, to approve the December warrants as submitted.

#### Applications to Purchase Service

The Board did not take up any new applications to purchase service.

### Recent Enrollments

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

### Benefit Calculation Results

All benefit calculation results for the month of December were reviewed and, on a motion made by Mr. Callahan and seconded by Ms. Hayes, the Board voted by roll call: Mr. Callahan, yes, Ms. Freedman, yes, Ms. Hayes, yes, Mr. Pangallo, yes, to approve the December benefit calculation results for David W. Adams, as submitted.

## **IV. Treasurer's Report**

The Board reviewed the reconciliation report for the month of November, prepared by Board Treasurer, Kathleen McMahon. Ms. McMahon noted the deduction payments made on retroactive salary adjustments, which required benefit adjustments for eligible retirees, as well as a service purchase payment from Donna Callahan. On a motion made by Ms. Freedman and seconded by Ms. Hayes, the Board voted by roll call: Mr. Callahan, present, Ms. Freedman, yes, Ms. Hayes, yes, Mr. Pangallo, yes, to accept the Treasurer's Report as submitted. Mr. Callahan abstained due to his personal relationship to Donna Callahan, who, in November, had submitted a payment to purchase prior service.

## **V. Executive Director's Report**

Mr. Findlen presented the Board with a report on all cash receipts for the month of November, as well as a trial balance for the month of November. Mr. Findlen also presented the Board with a monthly expenditure report for the month of November for the Board's review. 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 experienced a 0.21% loss in the month of November, lowering the fund's return to 17.02% growth for the calendar year. Mr. Findlen noted that the losses to the PRIT Fund were largely experienced as unrealized losses. The Board also reviewed PRIM's quarterly updated for the 3<sup>rd</sup> quarter of 2021. PRIM Executive Director and CIO Michael Trotsky reported that the "PRIT Fund reached a record \$101 billion, crossing the \$100 billion mark and more than doubling in size over the past 10 years". The report also addressed some areas of economic uncertainty, including the high number of unemployed per job opening. As PRIM reported, the "job quit rate rose to a record 3%, leading economists to call it 'The Great Resignation'". The PRIM report also addressed concerns over rising inflation and whether or not it is a temporary result of COVID and supply shortages, or an indication of a larger economic vulnerability. PRIM concluded that they "will stay the course with our long-term, all -weather portfolio with components that will perform well whatever the environment". On a motion made by Ms. Hayes and seconded by Mr. Callahan, the Board voted by roll call: Mr. Callahan, yes, Ms. Freedman, yes, Ms. Hayes, yes, Mr. Pangallo, yes, to acknowledge the Executive Director's Report.

## **VI. PERAC Memos**

The Board discussed PERAC memo 32, regarding cybersecurity and internal controls, and memo 35, regarding medical testing fees, as well as other recent PERAC news.

**VII. Old Business**

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

**VIII. New Business (resumed)**

The Board scheduled its next regular meeting, which will be held on Wednesday, January 26<sup>th</sup>, 2022, at 12:00 p.m.

On a motion made by Ms. Hayes and seconded by Ms. Freedman, the Board voted by roll call: Mr. Callahan, yes, Ms. Freedman, yes, Ms. Hayes, yes, Mr. Pangallo, yes, to adjourn the meeting at 1:05 p.m.

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Dominick Pangallo, Chair

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Anna E. Freedman

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Robert W. Callahan

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Sarah M. Hayes

Documents used in SCRB Board meeting of December 28, 2021

- Agenda for December 28, 2021 SCRB Board meeting
- Open Session minutes of November 24, 2021 SCRB Board meeting
- December Cash Disbursements Warrant
- New Member Enrollment Report
- Benefit Calculations Results Report
- November Treasurer's Report
- November Cash Receipts
- November Trial Balance
- November monthly expenditure report
- PRIT Fund November Statement
- PRIM Performance Update
- PERAC Memo 32.2021
- PERAC Memo 35.2021