

SALEM RETIREMENT BOARD
OPEN SESSION MEETING MINUTES
JANUARY 26, 2022
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 # ‘879 0794 6714’ 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 # ‘879 0794 6714’ 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. 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 12:10 p.m. the Board reconvened in Open Session and the Chair announced the Board's actions during Executive Session on the following items:

INVOLUNTARY ACCIDENTAL DISABILITY RETIREMENT

1. Paul L. Michaud Jr.

The Board reviewed an involuntary retirement application for Accidental Disability Retirement benefits submitted on behalf of Paul L. Michaud Jr., FireFighter for the City of Salem, by his employer, the City of Salem Fire Department, along with a statement submitted by Mr. Michaud's employer, an official job description, as well as an injury report and various medical records. On a motion made by Ms. Hayes and seconded by Ms. Freedman, to accept the application submitted on behalf of Paul L. Michaud, Jr., firefighter for the City of Salem, and petition PERAC to appoint a regional medical panel, the roll call vote was as follows

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

II. Legal Update

Attorney Gibson discussed a recent incident of fraud which occurred at a retirement board, in which an administrator's email was hacked and a fraudster attempted to make an investment transaction while posing as the board administrator. As Attorney Gibson noted, cybersecurity continues to be a significant challenge for boards and PERAC is taking measures to address the need for increased security. Attorney Gibson also discussed PERAC memos 4 and 4a, which addressed the 30-day requirement for notifying the local legislative body of the COLA vote. Attorney Gibson explained that because the 2022 Cost of Living Adjustment announced by the Social Security Administration is above 3.0%, the Board is not required to notify the local legislative body of the COLA vote. However, PERAC nevertheless encourages sending a notification of the vote in the name of good public policy. Attorney Gibson noted the importance of the COLA vote, as there are technical mechanisms that must be observed, including the need to have increases to the COLA base approved by the local legislative body, and that increases must be made in increments of one thousand dollars, to which there is no maximum amount. Attorney Gibson also discussed O'Leary vs. Lexington and PERAC, which addresses the treatment of sick and vacation time and whether or not it can be treated as regular compensation. Attorney McDonough updated the Board on the appeal filed by SCRB retiree Stanley Usovich, in which he appealed the Board's retroactive application of the elimination of the "year for a day" rule. There are existing decisions that affirm the Board's application of the amendment to the statute. Mr. Usovich has indicated that, if he is not successful at the DALA and CRAB level, he will appeal to the Superior court.

Attorneys Gibson and McDonough left the meeting at approximately 12:21 p.m.

III. Regular Matters of Business

Meeting Minutes

The minutes of the previous Board meeting, held on December 28, 2021, were reviewed and, on a motion made by Mr. Callahan and seconded by Ms. Freedman, the Board voted by roll call: Mr. Callahan, yes, Ms. Freedman, yes, Ms. Hayes, yes, Mr. Pangallo, yes, to approve the December meeting minutes as submitted.

Monthly Warrants

The warrants for the month of January were reviewed. On a motion made by Ms. Freedman 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 January 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

There were no new benefit calculation results for the Board's review.

IV. Treasurer's Report

The Board reviewed the reconciliation report for the month of December, prepared by Board Treasurer, Kathleen McMahon. Ms. McMahon noted the deduction payments made on retroactive salary adjustments, which required benefit adjustments for eligible retirees, and the Stanley Usovich direct deposit reissue, as well as a check that was destroyed and reissued. 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 accept the Treasurer's Report as submitted.

V. Executive Director's Report

Mr. Findlen presented the Board with a report on all cash receipts for the month of December, a report on all adjustments made for the fourth quarter of 2021, as well as a trial balance for the month of December. Mr. Findlen also presented the Board with a monthly expenditure report for the month of December 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 grew by approximately 3.03% in the month of December, raising the fund's return to 20.54% growth for the calendar year. Mr. Findlen presented The Board with the CY2022 Budget Proposal. 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 approve the SCRS CY2022 Budget Proposal. 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 1, regarding cybersecurity and internal controls, as well as memos 4, 4a, and 6, regarding Board member educational training, 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

The Board scheduled its next regular meeting, which will be held on Wednesday, February 23rd, 2022, at 12:00 p.m. Mr. Findlen discussed the upcoming actuarial valuation, which will be composed by consultants at the Segal Actuarial Group. Ms. Freedman and Mr. Callahan asked if Segal could provide an explanation of their methodology for reflecting investment gains and losses, as well as provide funding schedules that would increase the COLA base. Mr. Findlen said that he would reach out to the consultants at Segal and report back to the Board. The Board also discussed the scheduling of the FY2023 COLA vote.

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 1:14 p.m.

Dominick Pangallo, Chair

Anna E. Freedman

Robert W. Callahan

Sarah M. Hayes

Documents used in SCRB Board meeting of January 26, 2022

- Agenda for January 26, 2022 SCRB Board meeting
- Open Session minutes of December 28, 2021 SCRB Board meeting
- January Cash Disbursements Warrant
- New Member Enrollment Report
- Benefit Calculations Results Report
- December Treasurer's Report
- December Cash Receipts
- 2021 Q4 Adjustments Report
- December Trial Balance
- December monthly expenditure report
- PRIT Fund December Statement
- PRIM Performance Update
- SCRS CY2022 Budget Proposal
- PERAC Memo 1.2022
- PERAC Memo 4.2022
- PERAC Memo 4a.2022
- PERAC Memo 6.2022