

SALEM RETIREMENT BOARD
OPEN SESSION MEETING MINUTES
FEBRUARY 23, 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, Sarah M. Hayes, and Matt Veno

Also in attendance were Segal Actuary Lisa VanDermark 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 signing of Chapter 22 of the Acts of 2022, which includes an extension, until July 15th, 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 # ‘848 9060 8866’ 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 # ‘848 9060 8866’ 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. Actuarial Update

Segal Actuarial Consultant, Lisa VanDermark, discussed the upcoming valuation of the system, which will value the system as of January 1st, 2022. Ms. VanDermark discussed the funding schedule from the Board’s prior valuation and the expectations for the system’s total unfunded actuarial accrued liability. Ms. VanDermark discussed the impact of adjusting some of the current actuarial assumptions, such as lowering the expected rate of return, as well as the percent increase in the system’s appropriation schedule. Ms. Freedman requested that Segal provide the Board with funding schedule options that reflect an expected investment rate of return that is below seven percent. Ms. VanDermark addressed the Board’s interest in an analysis of the actuarial cost associated with raising the COLA base. Mr. Callahan suggested a cost analysis of raising the system’s COLA base from \$12,000 to \$15,000, so that the Board can determine if a higher base would be possible, or if a smaller increase to the COLA base would be a more reasonable expectation to place on the system’s funding capabilities. Ms. VanDermark will return to meet with the Board once the valuation and COLA study are completed.

Ms. VanDermark left the meeting at approximately 12:52p.m.

II. 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
	Matt Veno	Yes
	Chair Dominick Pangallo	Yes

At approximately 12:53 p.m. the Board went into Executive Session. The Chair stated that the Board would return to Open Session.

At approximately 12:57 p.m. the Board reconvened in Open Session and the Chair announced the Board's actions during Executive Session on the following items:

ACCIDENTAL DISABILITY RETIREMENT

1. Raymond J. Cooke

The Board reviewed an application for Accidental Disability Retirement benefits submitted on behalf of Raymond J. Cooke, Firefighter for the City of Salem Fire Department, along with a statement submitted by Mr. Cooke's employer, an official job description, a statement submitted by Mr. Cooke's treating physician, as well as medical records pertaining to Mr. Cooke's application. On a motion made by Ms. Hayes and seconded by Ms. Freedman, to accept the application submitted on behalf of Raymond J. Cooke, Firefighter for the City of Salem, and petition PERAC to appoint a regional medical panel, pending the receipt of the pre-employment physical, the roll call vote was as follows

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

III. Regular Matters of Business

Meeting Minutes

The minutes of the previous Board meeting, held on January 26, 2022, were reviewed and, 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. Veno, abstained due to absence, Mr. Pangallo, yes, to approve the January meeting minutes as submitted.

Monthly Warrants

The warrants for the month of February were reviewed. 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. Veno, yes, Mr. Pangallo, yes, to approve the February 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. Veno, yes, Mr. Pangallo, yes, to acknowledge the new enrollments as submitted.

Benefit Calculation Results

All benefit calculation results for the month of February were reviewed and, 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, Mr. Veno, yes, to approve the February benefit calculation results for Michael O'Donnell; Patricia Marfongelli; Mario Tricomi; and Michael Belanger, as submitted

IV. Treasurer's Report

The Board reviewed the reconciliation report for the month of January, prepared by Board Treasurer, Kathleen McMahon and presented by Mr. Findlen. On a motion made by Mr. Veno and seconded by Ms. Freedman, the Board voted by roll call: Mr. Callahan, yes, Ms. Freedman, yes, Ms. Hayes, yes, Mr. Veno, 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 January, as well as a trial balance for the month of January. Mr. Findlen also presented the Board with a monthly expenditure report for the month of January 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 loss of approximately 2.71% in the month of January. The Board also reviewed PRIM's Quarterly Update for the Fourth Quarter of 2021, which recapped the PRIT Fund's outstanding 2021 performance, and offered a word of caution on future expectations for the Fund's returns. PRIM reported that for "the calendar year ending December 31, 2021, the PRIT Fund was up 20.6% gross or 20.1% net of all fees; that was the fourth largest return in PRIM's entire history. The fund ended the year at a record \$104 billion." As PRIM recounted the strong returns captured over the past ten years, the report struck a measured tone when looking ahead to the next ten years, advising that it "would be unreasonable to assume that the returns over the next 10 years can be as impressive as the last 10 years for two primary reasons: 1) markets have appreciated far more quickly than the underlying growth of the economy, and that cannot last indefinitely, and 2) we are exiting a 30-year investing environment with the dominant backdrop of falling interest rates and loose monetary policy and entering an environment where interest rates and inflation are now rising, monetary policy is tightening, and

labor markets and population growth are falling. It seems like a regime change, but only time can confirm that.” 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. Veno, yes, Mr. Pangallo, yes, to acknowledge the Executive Director’s Report.

VI. PERAC Memos

The Board discussed PERAC memo 8, as well as the upcoming cybersecurity webinar schedule for Monday February 28th.

VII. Fifth Member Appointment

Mr. Findlen presented the Board with a draft of a posting intended to announce the forthcoming new term of the Board’s Fifth member, and solicit applications from qualified candidates. The posting outlined the requirements expected of the Fifth member, as well as the prohibitions that would disqualify an individual from being eligible to serve as the Fifth member. Mr. Findlen also presented the Board with a timeline for the selection of the Fifth member. 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. Veno, yes, Mr. Pangallo, yes, to approve the proposed timeline as submitted and the draft posting.

VIII. Scheduling of FY2023 COLA Vote

Ms. Freedman pointed out that the new information from the reports issued by the Board’s actuarial consultant, Segal, would likely impact the Board’s decision on the FY2023 COLA Vote. The Board determined that it will revisit the FY2023 COLA Vote once it has received the reports from Segal.

IX. Old Business

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

X. New Business

The Board scheduled its next regular meeting, which will be held on Wednesday, March 30th, 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. Veno, yes, Mr. Pangallo, yes, to adjourn the meeting at 1:23 p.m.

Dominick Pangallo, Chair

Anna E. Freedman

Robert W. Callahan

Sarah M. Hayes

Matt Veno

Documents used in SCRB Board meeting of February 23, 2022

- Agenda for February 23, 2022 SCRB Board meeting
- Open Session minutes of January 26, 2022 SCRB Board meeting
- February Cash Disbursements Warrant
- New Member Enrollment Report
- Benefit Calculations Results Report
- January Treasurer's Report
- January Cash Receipts
- January Trial Balance
- January monthly expenditure report
- PRIT Fund January Statement
- PRIM Performance Update
- Q4 2021 PRIM Board Quarterly Update
- PERAC Memo 8.2022
- Fifth Member Appointment Timeline
- Fifth Member Posting