

SALEM RETIREMENT BOARD
OPEN SESSION MEETING MINUTES
JUNE 29, 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 Venio

Also in attendance were 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 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 # ‘830 7640 3112’ 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 # ‘830 7640 3112’ 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. Regular Matters of Business

Meeting Minutes

The minutes of the previous Board meeting, held on May 25, 2022, 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 approve the May meeting minutes as submitted.

Monthly Warrants

The warrants for the month of June 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 approve the June warrants as amended.

Applications to Purchase Service

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

Recent Enrollments

All recent new enrollments were reviewed and acknowledged as submitted.

Benefit Calculation Results

There were no new benefit calculation results that required the Board's attention. Ms. Hayes noted that Karen Kielbasa and Joan Fix had been listed on the meeting agenda under Benefit Calculation Results. Mr. Findlen explained that both members had been listed on the agenda as a placeholder to allow for the possibility that the requisite records would have been received in time to add both members to the June benefits payroll. However, both applications were missing information. Mr. Findlen noted that both members had retired in mid-June, and would typically be eligible for their first payment in July. He also explained that Ms. Fix's calculation required payroll records from the State in order to process her application, and Ms. Kielbasa's application was incomplete. Mr. Findlen indicated that he expected both members to receive benefit payments in the July benefits payroll.

II. Treasurer's Report

The Board reviewed the reconciliation report for the month of May, prepared and presented by Board Treasurer, Kathleen McMahon. Ms. McMahon noted that all employer entities were current on their deduction submissions. 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.

III. Executive Director's Report

Mr. Findlen presented the Board with a report on all cash receipts for the month of May, as well as a trial balance for the month of May. Mr. Findlen also presented the Board with a monthly expenditure report for the month of May 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 0.52% in the month of May, increasing the extent of the Fund's loss for the calendar year to date to a loss of (6.67%). 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.

IV. PERAC Memos

The Board reviewed PERAC memos 14 and 16, as well as other recent PERAC news. The Board discussed the "Vernava II Decision" and determined that it will await further guidance from PERAC regarding the implementation of changing definition of regular compensation and its implications for SCRB active members and retirees.

Matt Veno joined the meeting at approximately 12:24 p.m.

V. FY2023 COLA Vote

The Board reviewed the Order from Salem City Council to increase the SCRB's COLA maximum base from \$12,000 to \$15,000, which was passed unanimously at its meeting of May 26, 2022. On a motion made by Mr. Callahan and seconded by Mr. Veno, the Board voted by

roll call: Mr. Callahan, yes, Ms. Freedman, yes, Ms. Hayes, yes, Mr. Veno, yes, Mr. Pangallo, yes, to approve an FY2023 COLA of 3% on a maximum base of \$15,000.

VI. Discussion on Divestment from Gun Manufacturers

The Board reviewed a draft letter relative to Divestment from Gun Manufacturers, addressed to State Senator Lovely and State Representative Tucker. Mr. Pangallo expressed his perspective that it would be worthwhile to consider prohibiting funds from being invested in gun manufacturing. Mr. Callahan expressed his opinion that would not be comfortable speaking on behalf of the members of the system without knowing their opinions on the matter. Mr. Pangallo expressed his opinion that he is uncomfortable with gun manufacturers benefiting from funds derived from the Board's investment portfolio. Ms. Freedman echoed Mr. Pangallo's sentiments on the matter. Ms. Hayes expressed her opinion that she too would be uncomfortable speaking on behalf of the members of the system without knowing their opinions on the matter. Ms. Hayes suggested that the letter could come from Mr. Pangallo and not from the entire Board. Mr. Pangallo indicated that a vote would not be necessary as a letter would not be coming from the Board, and that he would touch base with other Board members who would be interested in co-signing the letter to Senator Lovely and Representative Tucker.

VII. Discussion of FY2023 State Budget

Mr. Findlen presented the Board with a draft letter to State Senate President Spilka regarding the SCRB's support of Outside Section 56D, which would provide protection to current retirees who are at risk of having their pensions reduced or potentially lost as a result of the decision handed down by the SJC in *Worcester Regional Retirement Board v. PERAC* (SCJ 13177, 2/4/22). Mr. Findlen indicated that the House had included Section 56D in their budget proposal, but that the State Senate had not. Mr. Veno suggested addressing the letter to Salem's State Senator, Joan Lovely, instead of Senate President Spilka. Ms. Freedman suggested "cc'ing" the Senate Ways and Means Chair and Co-Chair. Mr. Findlen indicated that he would circulate a draft to Mr. Veno and Ms. Freedman for their approval prior to sending the letter. On a motion made by Ms. Freedman and seconded by Mr. Veno, the Board voted by roll call: Mr. Callahan, yes, Ms. Freedman, yes, Ms. Hayes, no, Mr. Veno, yes, Mr. Pangallo, yes, to approve sending the letter after a final review.

VIII. Annual Staff Review/Performance Evaluation

Mr. Findlen presented the Board with an overview of the staff's highlights and accomplishments over the past year. The Board commended Mr. Findlen on the staff performance over the past year. Ms. Freedman made a motion for a 3% increase for staff, effective July 1, which was seconded by Mr. Callahan. Mr. Findlen expressed his appreciation for the kind words from the Board, as well as for the proposed 3% increase. Mr. Findlen went on to ask the Board if they would be amenable to considering an additional increase for Assistant Administrator Nancy Hersey, if he were to conduct a salary survey for the Board's review at the July meeting. Mr. Callahan withdrew his second so that he could vote once additional research had been presented to the Board. Ms. Freedman recommended that a 3% salary increase be implemented for the SCRB staff as of July 1, 2022, and if a salary survey were to reveal that an additional adjustment to Ms. Hersey's salary is necessary in order to bring her in line with others in similarly situated roles, then that adjustment could be approved at the July meeting. On a motion made by Ms. Freedman and seconded by Mr. Veno, the Board voted by roll call: Mr. Callahan, yes, Ms.

Freedman, yes, Ms. Hayes, yes, Mr. Pangallo, yes, Mr. Veno, yes, to award the SCRB staff with a 3% salary increase, effective as of July 1st, 2022, and that a salary survey will be reviewed at the July meeting to determine if any additional salary adjustments need to be made.

IX. Old Business

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

X. New Business

Mr. Callahan noted that the State Senate Conference Committee was reviewing a local option that would enable retirement boards to authorize a COLA increase of up to 5%. Mr. Callahan further noted that, if the governor were to sign off on the local option, that he would be raising the matter again at future meetings. Ms. Hayes added that she had an opportunity to meet with the candidate for the position of Deputy Director of the SCRB and would like to change her vote to "Yes" in favor of the reorganization and the creation of the Deputy Director position.

The Board scheduled its next regular meeting, which will be held on Wednesday, July 27th, 2022, at 12:00 p.m. 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 adjourn the meeting at 1:10 p.m.

Dominick Pangallo, Chair

Anna E. Freedman

Robert W. Callahan

Sarah M. Hayes

Matt Veno

Documents used in SCRB Board meeting of June 29, 2022

- Agenda for June 29, 2022 SCRB Board meeting
- Open Session minutes of May 25, 2022 SCRB Board meeting
- May Cash Disbursements Warrant
- New Member Enrollment Report
- May Treasurer's Report
- May Cash Receipts
- May Trial Balance
- May monthly expenditure report
- PRIT Fund May Statement
- PRIM Performance Update
- PERAC Memo 14.2022
- PERAC Memo 16.2022
- City Council Order re: COLA base increase
- Draft of Gun Manufacturer Divestment Letter
- Draft Letter in Support of Outside Section 56D
- Letter to Senate President Spilka from PERAC
- Outside Section 56D
- SCRB Staff Review