

SALEM RETIREMENT BOARD
OPEN SESSION MEETING MINUTES
JULY 27, 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 Board Attorneys Tom 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 passage of Section 4 of Chapter 107 of the Acts of 2022 on July 16, 2022, which includes an extension, until March 31, 2023, 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 # ‘868 1912 1210’ 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 # ‘868 1912 1210’ 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 Mr. Callahan, 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
	Matt Veno	Yes
	Chair Dominick Pangallo	Yes

At approximately 12:09 p.m. the Board went into Executive Session. The Chair stated that the Board would return to Open Session.

Ms. Hayes joined the meeting at approximately 12:15 p.m.

At approximately 12:25 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. Randel G Comito

The Board reviewed an application for Accidental Disability Retirement benefits submitted on behalf of Randel G. Comito, Maintenance Operations/Facility Manager for the Salem Housing Authority, along with a statement submitted by Mr. Comito's employer, an official job description, a statement submitted by Mr. Comito's treating physician, as well as medical records pertaining to Mr. Comito's application. On a motion made by Mr. Callahan and seconded by Mr. Venio, to remove the Board's objection for a medical panel review and approve the applicant's request for a medical panel, the roll call vote was as follows:

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

ACCIDENTAL DISABILITY RETIREMENT

2. James E. O'Brien

The Board reviewed an application for Accidental Disability Retirement benefits submitted on behalf of James E. O'Brien, Tree Climber for the City of Salem Department of Public Services, along with a statement submitted by Mr. O'Brien's employer, an official job description, a statement submitted by Mr. O'Brien's treating physician, as well as medical records pertaining to Mr. O'Brien's application. On a motion made by Mr. Callahan and seconded by Ms. Hayes, to accept the application submitted on behalf of James E. O'Brien, Tree Climber for the City of Salem Department of Public Services, 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 Venio	Yes
	Chair Dominick Pangallo	Yes

ORDINARY DISABILITY RETIREMENT

3. Todd R. Howcroft

The Board reviewed an application for Ordinary Disability Retirement benefits submitted on behalf of Todd R. Howcroft, Chief Lab Tech for the South Essex Sewerage District, along with a statement submitted by Mr. Howcroft's employer, an official job description, a statement submitted by Mr. Howcroft's treating physician, as well as medical records pertaining to Mr. Howcroft's application. On a motion made by Mr. Callahan and seconded by Mr. Veno, to accept the application submitted on behalf of Todd R. Howcroft, Chief Lab Tech for the South Essex Sewerage District, and petition PERAC to appoint a regional medical panel for a medical records review, 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

II. Deputy Director Introduction

Mr. Findlen introduced Jamie Godjikian, Deputy Director for the Salem Retirement Board, and briefly described a few of the projects that Ms. Godjikian has undertaken.

X. New Business (taken out of order)

Attorney Gibson updated the Board on the status of the Open Meeting Law extension and the current requirements for Board meetings. Attorney Gibson also updated the Board on potential legislative changes that are coming before the Governor, as part of the new State Budget. The first item covered by Attorney Gibson was a proposed change to the makeup of the PRIM Board, so as to ensure that municipal boards have representation on the PRIM Board. Attorney Gibson also discussed a proposed one-time allowance for boards to approve a 5% COLA at any time in FY2023. Attorney Gibson noted that the Board's June 29th approval of a 3% COLA does not prohibit the Board from voting to enact a 5% COLA for FY2023. However, the Board would still need to provide thirty days' notice to City Council if they planned on taking another COLA vote. Attorney Gibson also spoke about section 149 of the budget, which would provide protection to retirees who retired prior to July 1st, 2022, and are at risk of having their pensions reduced or potentially lost as a result of the recent decision handed down by the Supreme Judicial Court ("SJC") in *Worcester Regional Retirement Board v. PERAC* (SCJ 13177, 2/4/22). The decision handed down by the SJC changed the generally accepted definition of regular compensation with regard to sick and vacation leave payments made in conjunction with Workers' Compensation benefits. Those payments will no longer be considered regular compensation, as a result of the SJC's decision.

III. Regular Matters of Business

Meeting Minutes

The minutes of the previous Board meeting, held on June 29, 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 June meeting minutes as amended.

Monthly Warrants

The warrants for the month of July were reviewed. 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, to approve the July warrants as submitted.

Applications to Purchase Service

The Board reviewed an application to purchase service submitted by Lori Gerome, pursuant to MGL c. 32 § 4(2)(c), as well as an invoice for Ms. Gerome to pay back deductions that were omitted in error. Mr. Callahan noted the importance of ensuring that members who had previous deductions that were omitted in error due to a failure to be properly enrolled in the system are given an opportunity to pay these deductions and have their eligible service credited to their accounts. 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 the application as amended.

Recent Enrollments

All recent new enrollments were reviewed and acknowledged as submitted.

Benefit Calculation Results

All benefit calculation results for the month of July were reviewed. Mr. Callahan noted that David J. Carpentier had been erroneously listed on the Benefit Calculation Results as having retired from the Police Department. Mr. Findlen acknowledged the typo and clarified that Mr. Carpentier had retired from the School Department. 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, Mr. Veno, yes, to approve the May benefit calculation results for Joan Fix; Karen Kielbasa; Roberta M. Ahearn; Rita M. Zachari; Grace A. Clarke; Karen K. Moran; Kathleen M. Marino; Raymond J. Cooke; Victor Ruiz Jr.; and David J. Carpentier as amended.

IV. Treasurer's Report

The Board reviewed the reconciliation report for the month of June, 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 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 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 June, a report on all adjustments made for the second quarter of 2022, as well as a trial balance for the month

of June. Mr. Findlen also presented the Board with a monthly expenditure report for the month of June for the Board's review. Mr. Findlen noted the reallocation of budgeted funds to account for the hiring of the SCRB's Deputy Director. 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 3.82% in the month of June, increasing the extent of the Fund's loss for the calendar year to date to a loss of (10.23%). Mr. Findlen presented the Board with a letter addressed to all benefit recipients, informing them of the COLA payment included in their July benefit payment, as well as providing Board news and updates. Mr. Pangallo asked that a similar letter be sent to active members as well, so that they are also made aware of recent Board news and updates. On a motion made by Mr. Veno and seconded by Ms. Hayes, 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 reviewed PERAC memos 17 and 19, as well as other recent PERAC news.

VII. Investment Policy Statement

Mr. Findlen presented the SCRB's Investment Policy Statement (IPS) to the Board for an annual review. Mr. Findlen noted the change to the Board's "Yield", under "Investment Objectives", to reflect the reduction of the actuarial rate of return to 6.9%. The Board will continue to review the IPS on an annual basis, or more frequently, if the need arises. Mr. Findlen proposed a \$14million purchase into the PRIT Fund, in keeping with the SCRB's IPS. 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 accept the revised IPS and accept Mr. Findlen's proposal of a \$14million purchase into the PRIT Fund.

VIII. Annual Staff Review/Performance Evaluation

Mr. Findlen presented the Board with a salary survey of similarly situated boards throughout the Commonwealth. Ms. Freedman noted that there was a wide range of salaries and that, of the systems that were comparable in size, the SCRB staff salaries appeared to be on the lower end of the range. Mr. Findlen requested a review of the Executive Director's salary before the end of the calendar year and an increase of \$2,100 to the Assistant Administrator's salary. Mr. Veno expressed his support of a review of the Executive Director's salary and added that he would be happy to provide feedback as to what information he would find helpful in conducting that review. Ms. Hayes asked if the increase to Ms. Hersey's salary would trigger a limit pursuant to the "anti-spiking" regulation place on benefit calculations. Mr. Findlen indicated the increase would not trigger any such limit. On a motion made by Mr. Veno and seconded by Mr. Callahan the Board voted by roll call: Mr. Callahan, yes, Ms. Freedman, yes, Ms. Hayes, yes, Mr. Pangallo, yes, Mr. Veno, yes, to adjust the Assistant Administrator's annual salary with an increase of \$2,100 and to review The Executive Director's salary before the end of the calendar year.

IX. Old Business

Ms. Hayes asked what the Deputy Director's salary was, and Mr. Findlen answered that the salary was agreed upon at \$95k, which was previously approved by the Board at the May meeting.

X. New Business (revisited)

Mr. Callahan indicated that he was cautiously optimistic that the governor would approve the local option that would enable retirement boards to authorize a COLA increase of up to 5%. Mr. Callahan requested the increase to the 5% COLA be placed on next month's agenda. Mr. Veno supported that request and asked if it would be possible for staff to request information on the cost to the system of the increase to the 5% COLA. 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 add to the August agenda a discussion of revisiting the COLA vote on the presumption that there will be a change to the state law to allow Board's to authorize a 5% COLA, and to notify city council of the Board's intention to revisit the COLA vote, and to direct staff to collect the data necessary for the Board to make a decision on the COLA increase.

The Board scheduled its next regular meeting, which will be held on Wednesday, August 31st, 2022, at 12:00 p.m. 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 adjourn the meeting at 1:36 p.m.

Dominick Pangallo, Chair

Anna E. Freedman

Robert W. Callahan

Sarah M. Hayes

Matt Veno

Documents used in SCRB Board meeting of July 27, 2022

- Agenda for July 27, 2022 SCRB Board meeting
- Open Session minutes of June 29, 2022 SCRB Board meeting
- July Cash Disbursements Warrant
- New Member Enrollment Report
- June Treasurer's Report
- June Cash Receipts
- June Trial Balance
- June monthly expenditure report
- PRIT Fund June Statement
- PRIM Performance Update
- July Letter to Benefit Recipients
- PERAC Memo 17.2022
- PERAC Memo 19.2022
- SCRB Investment Policy Statement (IPS)
- Draft of Gun Manufacturer Divestment Letter
- SCRB 2022 Salary Survey