

SALEM RETIREMENT BOARD
OPEN SESSION MEETING MINUTES
SEPTEMBER 28, 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), Robert W. Callahan, Sarah M. Hayes, and Matt Veno

Absent: Anna E. Freedman

Also in attendance were Judith Gray, Esq., attorney for Randel G. Comito, Board Attorneys Thomas F. Gibson and Gerald McDonough, Board Treasurer Kathleen McMahon, Deputy Director Jamie Godjikian, 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 # ‘858 5942 1818’ 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 # ‘858 5942 1818’ 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 Mr. Veno 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
	Sarah M. Hayes	Yes
	Matt Veno	Yes
	Chair Dominick Pangallo	Yes

At approximately 12:01 p.m. the Board went into Executive Session. The Chair stated that the Board would return to Open Session.

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. The Board also reviewed the medical panel results submitted on behalf Mr. Comito. The Board held a discussion on the application and heard from Mr. Comito's Attorney, Judith Gray, Esq. On a motion made by Mr. Callahan and seconded by Ms. Hayes to resubmit the application to the medical panel for clarification, the roll call vote was as follows:

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

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 an injury report and various medical records. The Board also reviewed the medical panel results submitted on behalf of Mr. O'Brien. On a motion made by Ms. Hayes, and seconded by Mr. Callahan, to accept the medical panel certifications submitted on behalf of James E. O'Brien, Tree Climber for the City of Salem, and approve the application for Accidental Disability Retirement, the roll call vote was as follows:

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

Attorney Judith Gray left the meeting at approximately 12:22 p.m.

II. Legal Update

Board attorneys Tom Gibson and Gerald McDonough updated the Board on the recent SJC decision regarding the selling back of annual unused vacation time, pursuant to the O’Leary case. Attorney Gibson confirmed that, as of May 1, 2018, the SCRB was not accepting retirement contributions on the “sellback” of unused vacation time. As a result, the Board would not be impacted by the SJC decision, which affirmed CRAB’s 2018 decision, that the selling back of unused vacation time would not be considered to be regular compensation. The legislature did enact a new section of Chapter 32, section 106, which would hold harmless retirees who may have had their benefits recalculated because of the inclusion of compensation from those programs and would allow members of boards who were participating in those programs as of May 1, 2018, to continue to participate in those programs until they become a member inactive. Attorney Gibson also informed the Board that PERAC has submitted a new regulation to the legislature for their approval. The regulation, 840 CMR 840 CMR 28 regarding electronic signatures, which would give boards the option to accept electronic signatures on member forms. PERAC will be issuing a memo at the end of October that addresses the new regulation. Attorney Gibson noted that regulations 840 CMR 3 and 13 are being reviewed to stay in compliance with the IRS code. Attorney McDonough discussed a veterans’ bill that has been reintroduced, which would allow veterans to purchase their veteran service within one year of becoming vested and would give current members who are already vested a year to act on the opportunity to purchase their veteran service. Currently, the statute requires notice be given to members who have veteran’s service and the member would then have 180 days to act upon the opportunity to purchase the service. Attorney Gibson spoke on the PERAC notification to boards of a fraud alert in which scammers were acquiring email addresses of board staff and offering financial advice over Zoom, at which point the scammers would solicit the member’s personal information. Mr. Pangallo discussed taking action to relay this information to the Board’s members. Attorney Gibson also notified the Board of groups who have been making provocative social media videos in public offices, in hopes of attracting viewership. Attorney Gibson’s advice to the SCRB staff was to be courteous and be professional. Attorney Gibson also updated the Board on a recent lawsuit brought against pension software provider, PTG, by a vendor company called HR Mecca, Inc, and their principal, and former PTG employee, Chris Wallace. Attorney Gibson also discussed the proposed 5% COLA for municipal and county retirement boards, which would allow boards to make a one-time increase to the COLA percentage from 3% to 5%. Attorney Gibson noted that, if there is no opposition to the measure, the Senate could enact it in an informal session. Otherwise, the next formal session of the legislature will take place in January of 2023.

Attorneys Gibson and McDonough left the meeting at approximately 12:45 p.m.

III. Regular Matters of Business

Meeting Minutes

The minutes of the previous Board meeting, held on August 31, 2022, were reviewed. On a motion made by Mr. Callahan and seconded by Ms. Hayes, the Board voted by roll call: Mr. Callahan, yes, Ms. Hayes, yes, Mr. Veno, yes, Mr. Pangallo, yes, to approve the August meeting minutes as submitted.

Monthly Warrants

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

Applications to Purchase Service

The Board reviewed applications to purchase service submitted by Sharyn Lubas and Ghada Fniech, which were both submitted pursuant to MGL c. 32 § 4(2)(c), for service rendered in the City of Salem. Ms. Lubas also submitted an application to purchase service for prior membership service in which deductions were omitted in error. On a motion made by Mr. Callahan and seconded by Ms. Hayes, the Board voted by roll call: Mr. Callahan, yes, Ms. Hayes, yes, Mr. Veno, yes, Mr. Pangallo, yes, to approve the applications as submitted.

Recent Enrollments

All recent new enrollments were reviewed and acknowledged as submitted.

Benefit Calculation Results

All benefit calculation results for the month of September were reviewed. On a motion made by Ms. Hayes and seconded by Mr. Callahan, the Board voted by roll call: Mr. Callahan, yes, Ms. Hayes, yes, Mr. Pangallo, yes, Mr. Veno, yes, to approve the September benefit calculation results for Agnes Fouhey; and Blair Howcroft as submitted.

IV. Treasurer's Report

The Board reviewed the reconciliation report for the month of August, prepared and presented by Board Treasurer, Kathleen McMahon. Ms. McMahon noted the receipt of the Board's deduction withholdings as well as several 3(8)(c) payments. On a motion made by Mr. Callahan and seconded by Ms. Hayes, the Board voted by roll call: Mr. Callahan, yes, Ms. Hayes, yes, Mr. Pangallo, yes, Mr. Veno, 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 August, as well as a trial balance for the month of August. Mr. Findlen also presented the Board with a monthly expenditure report for the month of August for the Board's review. Mr. Findlen noted the reallocation of funds in the SCRB budget. 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 2.69% in the month of August, increasing the extent of the Fund's loss for the calendar year to date to a loss of (9.85%). The Board also reviewed a PRIT GIPS (Global Investment Performance Standards) report, released by PRIM. On a motion made by Mr. Callahan and seconded by Mr. Veno, the Board voted by roll call: Mr. Callahan, yes, Ms. Hayes, yes, Mr. Pangallo, yes, Mr. Veno, yes, to acknowledge the Executive Director's Report.

VI. PERAC Memos

The Board reviewed PERAC memo 23, which was discussed in Attorney Gibson's Legal Update, as well as other recent PERAC news. Mr. Findlen indicated that he and Ms. Godjikian would be attending the PERAC Administrator Training on November 15th.

VII. Actuarial Valuation

The Board reviewed the finalized Actuarial Valuation Report, performed by Segal, which provided a valuation of the Board as of January 1st, 2022. Mr. Findlen reminded the Board of the actuarial assumption changes reflected in the report, which included: a lowering of the Actuarial Assumed Rate of Return from 7.15% to 6.90%; an increase to the administrative expense from \$350,000 to \$400,000; an adoption of the MP-2021, which replaces the MP-2017, as the system's mortality projection scale. Mr. Findlen also noted that the Actuarial valuation of the plan's assets were recognized to the extent of 88.5% of their Market value, which will allow the Board to defer gains until future valuations. Mr. Findlen reiterated Ms. VanDermark's remarks from her April presentation to the Board, that the Board had approximately \$32million in assets that were not recognized in this valuation report. On a motion made by Mr. Veno and seconded by Mr. Callahan, the Board voted by roll call: Mr. Callahan, yes, Ms. Hayes, yes, Mr. Veno, yes, Mr. Pangallo, yes, to approve and accept the Actuarial Valuation Report.

VIII. Old Business

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

IX. New Business

Ms. Hayes asked Mr. Findlen for an update on potential 91A termination cases, resulting from disability benefit recipients' non-compliance with the requirement to submit Annual Statements of Earned Income to PERAC. Mr. Findlen reported that the SCRB office had been in touch with the two remaining individuals, Peter Shaffaval and Scott Gibney, who had not yet successfully completed their 91A submissions. Both individuals reported that they had been in touch with PERAC and were working with PERAC staff to successfully complete their 91A submissions.

The Board scheduled its next regular meeting, which will be held on Wednesday, October 26th, 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. Hayes, yes, Mr. Veno, yes, Mr. Pangallo, yes, to adjourn the meeting at 1:06 p.m.

Dominick Pangallo, Chair

Robert W. Callahan

Sarah M. Hayes

Matt Veno

Documents used in SCRB Board meeting of September 28, 2022

- Agenda for September 28, 2022 SCRB Board meeting
- Open Session minutes of August 31, 2022 SCRB Board meeting
- September Cash Disbursements Warrant
- New Member Enrollment Report
- September Benefit Calculation Results Report
- August Treasurer's Report
- August Cash Receipts
- August Trial Balance
- August monthly expenditure report
- PRIT Fund August Statement
- PRIM Performance Update
- PRIT Fund FY2022 GIPS Report
- PERAC Memo 23.2022
- PERAC Pension News No. 60
- January 1, 2022 Actuarial Valuation Report