

SALEM RETIREMENT BOARD  
OPEN SESSION MEETING MINUTES  
DECEMBER 21, 2022  
12:30 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, Anna E. Freedman, Sarah M. Hayes, and Matt Veno

Also in attendance were 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 # ‘849 9641 4999’ 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 # ‘849 9641 4999’ 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 November 30, 2022, were reviewed. Mr. Pangallo requested that the approval of the minutes of the Executive Session held on November 30, 2022, be added to the January meeting agenda. 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 approve the November regular meeting minutes as submitted.

Monthly Warrants

The warrants for the month of December 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. Veno, yes, Mr. Pangallo, yes, to approve the November warrants as submitted.

### Applications to Purchase Service

The Board reviewed an application to purchase service submitted on behalf of Elaine E. Cook, pursuant to MGL c. 32 § 4(2)(c), for service rendered in the City of Salem. 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 approve the application 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 November were reviewed. 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 approve the November benefit calculation results for Jeanette M. Dubois; Debbie S. Campbell; and Kathleen S. McMahon as submitted.

## **II. Treasurer's Report**

The Board reviewed the reconciliation report for the month of November, prepared and presented by Board Treasurer, Kathleen McMahon. The Board also discussed Ms. McMahon continuing to service in her role as Board Treasurer while she remains serving as the Acting City Treasurer. 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, Mr. Veno, 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 November, as well as a trial balance for the month of November. Mr. Findlen also presented the Board with a monthly expenditure report for the month of November for the Board's review. Mr. Findlen noted that, based on spending projections for the remainder of the year, that the SCRB office's spending would likely be coming in under budget once again. The Board review a proposed budget for the 2023 Calendar Year. Mr. Callahan noted the significant increase from the 2022 budget. Mr. Findlen attributed the majority of the increase to rising personnel costs, which include a one-time buyback of Assistant Administrator Nancy Hersey's sick and vacation leave, upon her 2023 retirement, as well as the costs for a potential scanning project in 2023. Mr. Findlen also provided the Board with a copy of the SCRB's December Retiree Newsletter for their review. 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. Veno, yes, Mr. Pangallo, yes, to approve the CY2023 Budget and acknowledge the Executive Director's Report.

## **IV. PERAC Memos**

The Board reviewed PERAC memo 30, memo 31, and memo 32 as well as PERA Pension News No. 61.

## **V. Adoption of IntraFi Network Deposit Insurance**

The Board reviewed the materials provided by Board Treasurer Kathleen McMahon regarding the adoption of IntraFi Network Deposit Insurance in anticipation of SalemFive's departure from the FDIC in September of 2023. 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 adoption of IntraFi Network Deposit Insurance in anticipation of SalemFive's departure from the FDIC in September of 2023

## **VI. COLA Percentage**

The Board resumed its discussion of a local option which authorizes retirement boards to grant an increase of the FY2023 COLA to up to 5% of the maximum base amount, pursuant to Chapter 269 of the Acts of 2022, as outlined in PERAC memo 29. The Board reviewed a cost analysis report prepared by Segal, regarding the potential increase to the FY2023 COLA, which illustrated the impact an increase to the COLA would have on the Board's funding schedule. Ms. Freedman discussed her decision to abstain from the vote, citing the uncertainty facing investment markets and the impact they may have on the Board's financial position. Ms. Hayes indicated that she would be voting yes and that ultimately, the decision would fall to the Mayor and City Council for their final approval. Mr. Callahan expressed his opinion that the future of the economy is difficult to predict and that the best thing to do right now is to recommend this increase for the retirees and benefit recipients of the system, who are experiencing rising costs due to inflation. Mr. Pangallo reiterated that the increase is a one-time one-year increase, and that given the challenges facing the retirees and benefit recipients due to inflation, he would be recommending the one-time increase. Mr. Veno noted recent increases to healthcare and health insurance costs, in addition to a rising financial burden, and indicated that he would be voting to recommend to the one-time increase. The Board discussed the process outlined in Chapter 269 of the Acts of 2022, which requires the Mayor to recommend the increase to the City Council. Mr. Pangallo noted the upcoming meeting dates for the City Council taking place on January 12<sup>th</sup>, and January 26<sup>th</sup>, of 2023. On a motion by Mr. Callahan and seconded by Mr. Veno, the Board voted by roll call: Mr. Callahan, yes, Ms. Freedman, abstain, Ms. Hayes, yes, Mr. Veno, yes, Mr. Pangallo, yes to recommend an increase of the FY2023 COLA to 5% on the maximum base to the Mayor, who may then recommend the increase to City Council.

## **VII. Old Business**

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

## **VIII. New Business**

Mr. Findlen noted that, in accordance with PERAC's guidance in similar situations, the system has consulted with Public Pension Alliance in order to assist with the calculation of Assistant Administrator Nancy Hersey's retirement benefit and sick and vacation leave buyout. In other New Business, Mr. Pangallo informed the Board that he had resigned his position as Chief of Staff to the Mayor, effective January 13<sup>th</sup>, 2023. Mr. Pangallo also indicated that Interim Mayor Robert McCarthy would not be appointing a new appointee to the Board, and that Mr. Pangallo would remain serving on the Board as the Mayor's Appointee.

The Board scheduled its next regular meeting, which will be held on Wednesday, January 25<sup>th</sup>, 2023, at 12:00 p.m. 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. Veno, yes, Mr. Pangallo, yes, to adjourn the meeting at 1:11 p.m.

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Dominick Pangallo, Chair

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Anna E. Freedman

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Robert W. Callahan

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Sarah M. Hayes

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Matt Veno

Documents used in SCRB Board meeting of December 21, 2022

- Agenda for December 21, 2022 SCRB Board meeting
- Open Session minutes of November 30, 2022 SCRB Board meeting
- December Cash Disbursements Warrant
- New Member Enrollment Report
- December Benefit Calculation Results Report
- November Treasurer's Report
- November Cash Receipts
- November Trial Balance
- November monthly expenditure report
- SCRS CY2023 Budget Proposal
- December SCRB Letter to Benefit Recipients
- PERAC Memo 30.2022
- PERAC Memo 31.2022
- PERAC Memo 32.2022
- PERAC Pension News No. 61
- IntraFi Sweep Deposits Presentation
- Cost Analysis Report on Increasing the FY2023 COLA