

SALEM RETIREMENT BOARD
OPEN SESSION MEETING MINUTES
MARCH 29, 2023
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, 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 # ‘813 7613 3460’ 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 # ‘813 7613 3460’ 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 February 15, were reviewed. 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 February regular meeting minutes as submitted.

Monthly Warrants

Due to the timing of the February Board meeting, the warrants for the month of February were reviewed in addition to the March warrants. 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. Veno, yes, Mr. Pangallo, yes, to approve the February warrants as submitted. 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 March warrants as submitted.

Applications to Purchase Service

There were no 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

All benefit calculation results for the month of March were reviewed. Mr. Callahan asked Mr. Findlen to briefly discuss the method for determining 3(8)(c) liability in cases in which a member retires after having accrued membership service in two or more systems. In such cases, multiple retirement boards may assume a proportionate share of the funding liability for the member's benefits. In some cases, a board may petition PERAC to reevaluate the division of the liability if other factors used in calculating the benefit, such as the member's salary average, warrant consideration. 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 approve the March benefit adjustment calculation results for Paul Gallant; Patricia L. Marfongelli; and Michael O'Donnell as submitted.

II. Treasurer's Report

The Board reviewed the reconciliation report for the month of February, prepared by outgoing Board Treasurer Kathleen McMahon and presented by incoming Board Treasurer, Kristen Lindberg. Ms. Freedman introduced Ms. Lindberg to the Board and provided a brief background of her professional experience. Mr. Findlen and Ms. Lindberg noted that the variance of \$394.22 between the bank's balance and the general ledger balance had been reconciled and attributed to the deductions paid on retroactive salary settlements. 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, 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 February, as well as a trial balance for the month of February. Mr. Findlen also presented the Board with a monthly expenditure report for the month of February for the Board's review. Mr. Findlen noted that the monthly expenditure report reflects the payment of PTG's annual service contract fee. Mr. Findlen reported that PRIT Core Fund grew by approximately 4.12% in the month of January, and subsequently experienced a loss of (1.63%) in the month of February, lowering the fund's return to 2.49% growth for the calendar year. The Board also reviewed PRIM's update on the Fourth Quarter for 2022. In the update, PRIM stated that the "main risks going forward are familiar: that inflation spikes again or remains too high, business spending or corporate earnings could weaken more than anticipated, and unemployment or wages could spike." 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 acknowledge the Executive Director's Report.

IV. PERAC Memos

The Board reviewed PERAC Pension News No. 62, as well as other recent PERAC news.

V. COLA Percentage

Mr. Findlen reported that the enhanced FY2023 COLA would be included in the March benefits payroll, along with a retroactive payment dating back to July 1st, 2022. The Board also reviewed a letter, drafted by Mr. Findlen, that would accompany the March notice of deposit statement. Mr. Callahan suggested that Mr. Findlen include language in the letter that emphasizes the inclusion of the retroactive payment in the March payroll, and distinguishes the retroactive payment from the enhanced COLA itself.

VI. SCRB Office Staff

Mr. Findlen presented the Board with a comprehensive overview of the statistical increases to the SCRB office's workflow, over the course of the last ten years. Mr. Findlen used the statistics to illustrate the steady and significant growth in new member enrollments, benefit calculations, transfers, refunds, and service purchases, which have all increased, on average, by nearly 60% over the ten year period. Mr. Findlen also presented budget comparisons between the SCRB and twenty other similarly situated retirement systems. The comparisons demonstrated that the SCRB office's spending and staffing fell well below the comparable average, while maintaining a system that is larger than the average system in terms of membership. Mr. Findlen also pointed out that the SCRB has jurisdiction over five separate employer units, while the majority of municipal systems' jurisdiction is limited to one or two employer units. Mr. Findlen noted that, as a city, Salem itself has experienced quite a bit of growth over the last ten years and that the infrastructure required to meet the City's needs would naturally grow as well. Ms. Hayes asked Mr. Findlen how other comparable boards manage their investments. Mr. Findlen noted that the majority of systems primarily invest with PRIM as well as additional private management. Mr. Findlen also noted that the additional private investment management requires periodic RFP reviews and additional accounting, and that the workload is comparable to the additional workload generated by the SCRB's multiple employer units. Mr. Callahan commented that the addition of a third staff person would provide an important point of contact for the employees from the SCRB's employer units. Mr. Callahan further emphasized that Mr. Findlen and Ms. Godjikian should have the ability to select a candidate based on their assessment of who will work well in a team setting and be able to align themselves with the mission of the SCRB. Mr. Veno commended Mr. Findlen on his presentation, and noted that the office staffing should reflect the organization's increasing complexity and have the resources to meet the needs of the system's members, as those needs continue to evolve. Mr. Pangallo asked what the anticipated salary range would be for the position, to which Mr. Findlen responded that he would like to be able to offer a salary within the range of \$75k to \$80k. Mr. Findlen indicated that the anticipated salary was within the approved annual budget. Mr. Veno commented that the salary range is consistent with similar positions in other public agencies. 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, no, Mr. Veno, yes, Mr. Pangallo, yes, to approve the hiring of an Executive Assistant.

VII. 2023 Spring MACRS Conference

The Board discussed attendance to the 2023 MACRS Kevin J. Regan Annual Conference. 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 approve attendance as well as costs associated with attendance to the 2023 MACRS Kevin J. Regan Annual Conference.

VIII. Open Meeting Law Waiver

The Board reviewed the proposed extension of the waiver of the Open Meeting Law. Mr. Callahan expressed his preference for in person meetings, but noted the practical benefits of having the option to conduct meetings remotely. Ms. Freedman also noted the practical benefits of the remote meeting option. Ms. Hayes commented that she likes open meetings and suggested that some monthly meetings could be held in person and others conducted remotely. Mr. Veno suggested that the Board could adopt a schedule in which in person meetings are held periodically. Mr. Pangallo noted that the waiver gives board the option to hold meetings in person or remotely. 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. Veno, yes, Mr. Pangallo, yes, to continue conducting meetings remotely, contingent on the governor signing Chapter 2 of the Acts of 2023 into law, which would amend section 30A of chapter 20 of the Acts of 2021 to extend the waiver of the Open Meeting Law through March 31, 2025.

IX. Old Business

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

X. New Business

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

The Board scheduled its next regular meeting, which will be held on Tuesday, April 25th, 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 1:18 p.m.

Dominick Pangallo, Chair

Anna E. Freedman

Robert W. Callahan

Sarah M. Hayes

Matt Veno

Documents used in SCRB Board meeting of March 29, 2023

- Agenda for March 29, 2023 SCRB Board meeting
- Open Session minutes of February 15, 2023 SCRB Board meeting
- February Cash Disbursements Warrant
- March Cash Disbursements Warrant
- New Member Enrollment Report
- March Benefit Calculation Results Report
- February Treasurer's Report
- February Cash Receipts
- February Trial Balance
- February monthly expenditure report
- January PRIT Fund Statement
- February PRIT Fund Statement
- PRIM Performance Updates
- PRIM Q4 2022 Quarterly Update
- PERAC Pension News No. 62
- COLA Notice to Benefit Recipients
- SCRB Office Staffing Presentation
- Section 38 of H58