

SALEM RETIREMENT BOARD
OPEN SESSION MEETING MINUTES
JUNE 28, 2023
12:00 P.M.

In attendance at this regular meeting of the Salem Retirement Board (“the Board”), via Teams webinar, were Anna E. Freedman (Acting Chair), Robert W. Callahan, Sarah M. Hayes, Lisa J.B. Peterson, and Matt Veno

Also in attendance were Deputy Director Jamie Godjikian, Board Attorney Thomas F. Gibson and Board Attorney Gerald McDonough, Attorney Daniel Napolitano, Patrick S. Hagen, and Executive Director Paul Findlen

Remote Participation Announcement

Ms. Freedman 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 passage of Section 4 of Chapter 107 of the Acts of 2022 on July 16, which includes an extension, until March 31, 2025, as amended by the passage of Chapter 2 of the Acts of 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://microsoft.com/microsoftteams>, entering meeting ID # ‘261 072 217 402’ 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 1-872-212-4377 to join the meeting. When prompted, enter meeting ID # ‘261 072 217 402’ 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.”

II. Executive Session

On a motion made by Mr. Veno 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
	Chair Anna E. Freedman	Yes
	Matt Veno	Yes
	Lisa J.B. Peterson	Yes

At approximately 12:08 p.m. the Board went into Executive Session. The Chair stated that the Board would return to Open Session.

At approximately 12:15 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. Patrick S. Hagen

The Board reviewed an application for Accidental Disability Retirement benefits submitted on behalf of Patrick S. Hagen, Facilities Foreman for the South Essex Sewerage District, along with a statement submitted by Mr. Hagen's employer, an official job description, a statement submitted by Mr. Hagen's treating physician, as well as an injury report and various medical records. On a motion made by Mr. Callahan and seconded by Mr. Veno, to accept the application submitted on behalf of Patrick S. Hagen, Facilities Foreman for the South Essex Sewerage District and petition PERAC to appoint a regional medical panel, the roll call vote was as follows:

VOTED:	Robert W. Callahan	Yes
	Anna E. Freedman	Yes
	Matt Veno	Yes
	Lisa J.B. Peterson	Yes

Attorney Napolitano and Mr. Hagen left the meeting at approximately 12:15 p.m.

III. Legal Update

Attorney Gibson discussed a recent case regarding a member who had been previously erroneously excluded from membership dating back to September of 2008, and subsequently became eligible for membership with the MTRS in 2021. Attorney Gibson reviewed his recommendation that the member be billed for the deductions that were omitted in error by the SCRB, and then transferred in full to the MTRS. Mr. Gibson also discussed the recent marketing campaign conducted by Baystate Pension Solutions, a new competitor to PTG. Attorney Gibson indicated that when and if the Board considers a change in software providers, he would recommend conducting a competitive process, noting that the procurement requirements outlined in MGL chapter 32 §23B had not been amended. Attorney Gibson also discussed potential amendments to various regulations. Attorney Gibson reported PERAC will be moving to 10 Cabot Road in Medford, as soon as January 1st, 2024. Attorney Gibson mentioned a potential change to regular compensation regarding body camera stipends for police officers. PERAC has taken the preliminary view that, absent any certification requirements, the body cameras would be considered as part of a clothing allowance and therefore not considered as regular compensation. Attorney Gibson recommended that language be included in the memorandum of agreement outlining a policy and a certification process that justifies the payment made for wearing body cameras. Attorney Gibson also discussed the policy for firefighters receiving compensation for "Active Shooter/Hostile Events Program" and the training requirements that may determine whether the payments are eligible to be included in a member's regular compensation. Attorney McDonough discussed the case of *Kidd v. State Board of Retirement*.

Attorney McDonough noted that a few years ago, the legislature enacted the pay equity act to address employees that may have been underpaid due to a lack of equity in pay. As a result, several employees had their compensation adjusted as a result of the efforts to address the equity discrepancies. Some of those individuals were then having their pensions reduced due to the anti-spiking regulation. Attorney McDonough noted Ms. Kidd's case may provide a precedent to address the impact of these compensation adjustments on members' potential exposure to reductions outlined in the anti-spiking regulation.

Attorneys Gibson and McDonough left the meeting at approximately 12:34 p.m.

IV. Regular Matters of Business

Meeting Minutes

The minutes of the previous Board meeting, held on May 23, 2023, 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. Peterson, abstain, Mr. Veno, yes, to approve the May regular meeting minutes as submitted.

The Board took an opportunity to have Mr. Findlen briefly outline the regular business matters that come before the Board each month, as part of Ms. Peterson's introduction to the Board.

Monthly Warrants

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. Peterson, yes, Mr. Veno, yes, to approve the June warrants as submitted.

Applications to Purchase Service

The Board reviewed an application to purchase prior membership service in which deductions were omitted in error, submitted on behalf of Karen Ruiz-Veno, as well as an application to purchase service, pursuant to M.G.L. c. 32 § 4(2)(c), submitted on behalf of Anne Linger. Mr. Findlen briefly detailed the facts pertaining to Ms. Ruiz-Veno's application to purchase service and the recommendation made by Attorney Gibson regarding the process to bill Ms. Ruiz-Veno and subsequently transfer her account to the MTRS. On a motion made by Mr. Callahan and seconded by Ms. Peterson, the Board voted by roll call: Mr. Callahan, yes, Ms. Freedman, yes, Ms. Peterson, yes, Mr. Veno, recused himself, 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 June 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. Peterson, yes, Mr. Veno, yes, to approve the May benefit calculation results for Mary Lou Gauthier, Mark J. Bates, and Brian M. Norris.

Ms. Hayes joined the meeting at approximately 12:55 p.m.

I. Appointment of Chair (taken out of order)

Mr. Veno nominated Acting Chair Anna Freedman for the role of Board Chair, and Mr. Callahan seconded her nomination. On a motion made by Mr. Callahan and seconded by Mr. Veno, the Board voted by roll call: Mr. Callahan, yes, Ms. Freedman, abstain, Ms. Hayes, yes, Ms. Peterson, yes Mr. Veno, yes, to appoint Anna Freedman as the Chair of the Salem Retirement Board

V. Treasurer's Report

The Board reviewed the reconciliation report for the month of May. Mr. Findlen briefly discussed the transition of the Board's alternative investments money market account into an IntraFi account in order to maintain a balance that insured, even if it were to exceed the FDIC's new limit on insuring balances in individual accounts in excess of \$250,000. 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, Ms. Peterson, yes, Mr. Veno, yes, to accept the Treasurer's Report as submitted.

VI. 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. Mr. Findlen reported that PRIT Core Fund experienced a loss of approximately 0.4% in the month of May, reducing the fund's return to 4.03% growth for the calendar year. Mr. Findlen briefly outlined the materials in the Executive Director's Report that come before the Board each month, as part of Ms. Peterson's introduction to the Board. On a motion made by Ms. Hayes and seconded by Mr. Veno, the Board voted by roll call: Mr. Callahan, yes, Ms. Freedman, yes, Ms. Hayes, yes, Mr. Veno, yes, Ms. Peterson, yes, to acknowledge the Executive Director's Report.

VII. PERAC Memos

There were no new PERAC memos for the Board to review.

VIII. Annual Staff Review/ Performance Evaluation

The Board reviewed a presentation of the SCRB's staff performance highlights and accomplishments over the past year (7/1/2022 – 6/30/2023). Mr. Findlen noted the significant changes that occurred over the past year, specifically the introduction of a new Deputy Director, Jamie Godjikian in July of 2022, as well as the hiring of an Executive Assistant, Alicia King, following the January retirement of longtime Assistant Administrator, Nancy Hersey. Mr. Findlen noted the undertaking of various operational projects, largely by Ms. Godjikian, such as the procurement of IT support and cybersecurity protection, as well as an updated internet network, computer hardware and software, as well as improvements to the enrollment process, retirement process, and 3(8)(c) liability calculation process. Mr. Findlen requested that the Board consider giving him more discretion in determining staff salaries and increases now that the office is a three-person office. Ms. Freedman asked to confirm her understanding that Mr. Findlen is asking for more discretion in determining staff salaries and increases, as well as asking for the Board to consider the award of an annual staff COLA. Mr. Findlen confirmed that these were the components of his request. Mr. Callahan commented that he believes Mr. Findlen should have discretion in running the office, while the Board maintains its fiduciary duty to keep

an eye on the Board's budget and spending. Ms. Freedman asked if salary increases would be reported to the Board in advance of being awarded to staff members, to which Mr. Findlen responded that he would like the ability to make those awards as needed, as long as they are within the Board approved budget. Mr. Veno made a motion, seconded by Ms. Peterson to approve the Executive Director to have discretion over staff salaries and increases as needed, as long as they are within the Board approved budget. Mr. Callahan made a motion, seconded by Mr. Veno, to award a 3% cost of living increase effective July 1, 2023, with the understanding that the next cost of living adjustment for staff would be considered in December of 2024, to become effective as of January 1, 2025. Ms. Freedman noted that this schedule does not preclude the consideration of staff increases based on salary surveys or other events that may warrant the consideration of a staff increase.

IX. FY2024 COLA Vote

The Board discussed the scheduling of the FY2024 COLA Vote and the compliance requirements set forth by M.G.L. Chapter 32, ss. 103(c) and (i). 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, Ms. Peterson, yes, Mr. Veno, yes, to approve the FY2024 COLA in the amount of 3% on a \$15,000 base for all eligible benefit recipients.

X. Old Business

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

XI. New Business

The Board scheduled its next regular meeting, which will be held on Wednesday, July 19th, 2023, at 12:00 p.m. 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, Ms. Peterson, yes, Mr. Veno, yes, to adjourn the meeting at 1:53 p.m.

Robert W. Callahan,

Anna E. Freedman, Chair

Sarah M. Hayes

Lisa J.B. Peterson

Matt Veno

Documents used in SCRB Board meeting of June 28, 2023

- Agenda for June 28, 2023 SCRB Board meeting
- Open Session minutes of May 23, 2023 SCRB Board meeting
- June Cash Disbursements Warrant
- New Member Enrollment Report
- June Benefit Calculation Results Report
- May Treasurer's Report
- May Cash Receipts
- May Trial Balance
- May monthly expenditure report
- May PRIT Fund Statement
- May Performance Updates
- SCRB Staff Review