

SALEM RETIREMENT BOARD
OPEN SESSION MEETING MINUTES
NOVEMBER 15, 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 (Chair), Robert W. Callahan, Sarah M. Hayes, Lisa J.B. Peterson, and Matt Veno. Also in attendance were Deputy Director Jamie Godjikian 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 # ‘210 906 065 720’ 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 Phone Conference ID # ‘809 994 368#’ 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 *5 to raise their hand to speak.”

I. Regular Matters of Business

Meeting Minutes

The minutes of the previous Board meeting, held on October 25, 2023, were reviewed. On a motion made by Ms. Peterson and seconded by Mr. Callahan, the Board voted by roll call: Ms. Freedman, yes, Mr. Callahan, yes, Ms. Hayes, yes, Ms. Peterson, yes, Mr. Veno, yes, to approve the October regular meeting minutes as amended.

Applications to Purchase Service

The Board reviewed applications to purchase service, pursuant to M.G.L. c. 32 § 4(2)(c), submitted on behalf of Aldea Potorski and Robin Eddy, as well as an application to purchase service in which deductions were omitted in error, submitted on behalf of Rayshawna Battle. On a motion made by Mr. Callahan and seconded by Ms. Hayes, the Board voted by roll call: Ms. Hayes, yes, Ms. Peterson, Yes, Mr. Veno, yes, Mr. Callahan, yes Ms. Freedman, yes, to approve the applications as submitted.

Recent Enrollments

All recent new enrollments were reviewed and acknowledged as submitted.

Benefit Calculation Results

There were no new benefit calculation results that required the Board's attention.

II. Treasurer's Report

The Board reviewed the reconciliation report for the month of September. On a motion made by Mr. Callahan and seconded by Ms. Peterson, the Board voted by roll call: Ms. Hayes, yes, Ms. Peterson, yes, Mr. Veno, yes, Mr. Callahan, yes, Ms. Freedman, yes, to accept the Treasurer's Report as submitted.

Ms. Hayes requested Treasurer Kristen Lindberg attend the next meeting.

III. Executive Director's Report

Mr. Findlen presented the Board with a report on all cash receipts for the month of October, as well as a trial balance for the month of October. Mr. Findlen also presented the Board with a monthly expenditure report for the month of October for the Board's review. On a motion made by Ms. Hayes and seconded by Ms. Peterson, the Board voted by roll call: Ms. Hayes, yes, Ms. Peterson, yes, Mr. Veno, yes, Mr. Callahan, yes, Ms. Freedman, yes, to acknowledge the Executive Director's Report.

IV. PERAC Memos

The Board reviewed PERAC memos 23,24, 24a, and 25, as well as other recent PERAC news.

Mr. Veno excused himself from the meeting at approximately 12:37 p.m.

V. GASB 67 & 68 Report for CY2022

Mr. Findlen presented the GASB 67 & 68 Report as of December 31, 2022, which was prepared by the SCRB's actuarial consultants at Segal. Mr. Findlen pointed out some of the highlights of the report, including Segal's calculation of the "Plan Fiduciary Net Position as a percentage of the Total Pension Liability", which assessed the plan's funded percentage to be equal to 65.5%, as of December 31, 2022. Mr. Findlen noted that the investment losses experienced by markets in 2022 were the main drivers behind the reduction to the plan's funded ratio. Mr. Findlen reminded the Board that the plan's return assumption remains set at 6.9%, and that the next valuation of the plan will be conducted in the Spring of 2024.

VI. Powers & Sullivan CY2022 Audit Report

The Board reviewed the audited financial statements of the Salem Contributory Retirement Board, in a report prepared by Powers & Sullivan, for CY2022. The Board discussed the actuarial assumptions noted in the report, as well as the pension plan's total liability. Mr. Findlen noted that the report's historic analysis illustrates the significant increases to the plan's funded ratio over the past ten-year period, despite adopting more conservative assumptions. The Board also discussed the auditors' recommendation to "create a policy which documents how member unit excess contributions will be tracked and applied towards the net pension liability, or annual required contribution." Mr. Findlen suggested that the Board respond by ensuring Powers & Sullivan that the SCRS will work with legal counsel to draft a policy that addresses the manner

in which excess pension appropriation contributions made by our employer units will be tracked and applied towards the net pension liability and/or annual required contribution. On a motion made by Mr. Callahan and seconded by Ms. Hayes, the Board voted by roll call: Mr. Callahan, yes, Ms. Hayes, yes, Ms. Peterson, yes, Ms. Freedman, yes, to approve the recommended response suggested by Mr. Findlen and to draft a policy responsive to Powers & Sullivan's recommendation.

VII. SCRB CY2024 Budget Proposal/Mission Statements

Mr. Findlen presented the Board with proposed SCRB Mission and Vision Statements for the Board's review. On a motion made by Ms. Peterson and seconded by Mr. Callahan, the Board voted by roll call: Ms. Hayes, yes, Mr. Callahan, yes, Ms. Peterson, yes, Ms. Freedman, yes, to approve the proposed Mission and Vision Statements. Mr. Findlen presented the Board with the SCRB CY2024 Budget Proposal. Ms. Freedman noted that it appeared to have only increased by 1.9% from the previous year. Mr. Findlen walked the Board through several line items of the budget, particularly any instances in which there had been meaningful changes from prior budgets. The Board discussed making capital improvements to the SCRB office, which is an asset of the Board and is included in the Board's net position. The Board determined that any improvements that address potential safety concerns, such as failing equipment/furniture ought to be addressed first. Mr. Callahan expressed his opinion that Mr. Findlen should not feel compelled to spend the entire budget, and Ms. Freedman suggested that unused funds related to management fees could be reallocated to bolster other line items, such as capital improvements. On a motion made by Mr. Callahan and seconded by Ms. Hayes, the Board voted by roll call: Ms. Hayes, yes, Mr. Callahan, yes, Ms. Peterson, yes, Ms. Freedman, yes, to accept the CY2024 proposed budget.

VIII. Old Business

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

IX. New Business

The Board scheduled its next regular meeting, which will be held on Tuesday, December 19th, 2023, at 12:00 p.m. On a motion made by Ms. Hayes, the Board voted by roll call: Ms. Hayes, yes, Ms. Peterson, yes, Mr. Veno, yes, Mr. Callahan, yes, Ms. Freedman, yes, to adjourn the meeting at 1:21pm

Anna E. Freedman, Chair

Lisa J.B. Peterson

Robert W. Callahan

Sarah M. Hayes

Matt Veno

- Agenda for November 15, 2023, SCR Board meeting
- Open Session minutes of October 25, 2023, SCR Board meeting
- October Cash Disbursements Warrant
- New Member Enrollment Report
- September Treasurer's Report
- October Cash Receipts
- October Trial Balance
- October monthly expenditure report
- PERAC Memo 23.2023
- PERAC Memo 24.2023
- PERAC Memo 24a.2023
- PERAC Memo 25.2023
- CY2022 GASB 67 and 68
- SCR CY2022 Financial Statements
- SCR CY2022 Management Letter
- SCR Mission and Vision Statements
- SCR CY2024 Budget Proposal