

SALEM RETIREMENT BOARD
OPEN SESSION MEETING MINUTES
APRIL 27, 2016
12:00 P.M.

I. Regular Matters of Business

In attendance at this regular meeting of the Salem Retirement Board (“the Board”) were Chairman Sarah M. Hayes, John H. Burke Jr., Robert T. Lutts, Dominick Pangallo, and Sarah A. Stanton. Also in attendance were Board Treasurer Kathleen McMahon, Ronald J. Michaud, candidate for the First Elected Member of the Board, and Executive Director Paul Findlen.

The meeting was called to order at approximately 12:03 p.m.

Meeting Minutes

The minutes of the previous Board meeting, held on March 30, 2016, were reviewed and, on a motion made by Ms. Stanton and seconded by Mr. Lutts, the Board voted 4-0-1 (Mr. Pangallo abstaining due to the meeting occurring prior to his appointment) to approve the March meeting minutes as submitted.

Warrants

The warrants for the month of April were reviewed and, on a motion made by Mr. Lutts and seconded by Mr. Burke, the Board voted 5-0 to approve the April warrants as submitted.

Applications to Purchase Service

The Board reviewed applications to purchase service submitted on behalf of Sheila Bedard, who applied to purchase service pursuant to M.G.L. c. 32 § 4(2)(c). On a motion made by Mr. Lutts and seconded by Ms. Stanton, the Board voted 5-0 to approve all applications to purchase service.

Retirements

All retirements for the month of April were reviewed. The Board voted 5-0 to acknowledge the April retirements as submitted.

Recent Enrollments

All recent new enrollments were reviewed. The Board voted 5-0 to acknowledge the new enrollments as submitted.

II. Treasurer’s Report

Board Treasurer, Kathleen McMahon, presented a comprehensive report on the monthly reconciliation performed by the Board Treasurer on behalf of the Board. The Board reviewed the reconciliation report for the month of March. On a motion made by Ms. Stanton and seconded by Mr. Lutts, the Board voted 5-0 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 March, as well as a trial balance for the month of March for the Board's review. Mr. Findlen also presented the Board with a monthly expenditure report for the month of March, as well as a report of all adjusting journal entries for the first quarter of 2016. Mr. Findlen informed the Board of the robust growth experienced by the PRIT Fund in the month of March. Mr. Findlen detailed the gains made by the SCRB's investment portfolio managed by PRIM, which grew by more than 5.7 million dollars in the month of March. Mr. Findlen noted that the PRIT Core's total growth of 4.46% for the month, raised the calendar year change in the PRIT Core Fund to 1.91%, which is slightly less than the quarterly pace of 1.9375% needed to meet the SCRB's expected rate of return for the year. Mr. Findlen presented a report comparing the SCRB's operating budget to those of similarly situated Boards throughout the state. Mr. Findlen also presented a request for address labels, which the Board can satisfy, pursuant to M.G. L. c. 4, § 7(26). On a motion made by Mr. Lutts and seconded by Ms. Stanton, the Board voted 5-0 to acknowledge the Executive Director's Report.

IV. PERAC Memos

The Board reviewed PERAC memos #14 and #15, as well as the PERAC Pension Newsflash, published on April 15, 2016.

V. 2015 Annual Statement

Mr. Findlen presented the Board with the 2015 Annual Statement of the Financial Condition of the Salem Contributory Retirement Board. Mr. Findlen briefly outlined the methodology used to perform the annual statement balance tests, and gave the Board an overview of the accounting procedures used to account for the activity that takes place within each fund from year to year. Mr. Findlen gave a brief explanation of the six funds that represent the total assets of the SCRB. Mr. Findlen also noted the relationship between the Expense Fund Disbursements account and the SCRB's operating budget. Mr. Findlen also presented the Board with the 2015 investment schedules and noted their relationships to several line items on the Annual Statement. On a motion made by Mr. Lutts and seconded by Mr. Burke, the Board voted 5-0 to accept the 2015 Annual Statement of the Financial Condition of the Salem Contributory Retirement Board.

VI. COLA Vote

The Board had been made aware that the Social Security COLA for the past year was 0.0%. Notification was sent informing City Council that the Board would consider granting the 2016-2017 COLA at its meeting of April 27, 2016. The Board heard Ronald J. Michaud, candidate for the First Elected Member of the Board, who expressed his opinion that the \$12,000 COLA base is antiquated and suggested that the SCRB consider increasing it, as the State's Retirement System has increased their COLA base. Mr. Michaud suggested that money received in insurance credits by the City of Salem could be applied toward funding their portion of the COLA. Ms. Stanton and Chairman Hayes expressed a dissenting opinion, clarifying that the City had no such funds available. On a motion made by Ms. Stanton and seconded by Mr. Lutts, the Board voted by roll call, in accordance with Chapter 32, ss. 103(c) and (i), to grant a 3% Cost of Living Adjustment (COLA) on a \$12,000 base for SCRS benefit recipients, effective July 1, 2016. On roll call, the vote was as follows:

VOTED:	John H. Burke, Jr.	Yes
	Robert T. Lutts	Yes
	Dominick Pangallo	Yes
	Sarah A. Stanton	Yes
	Chairman Sarah M. Hayes	Yes

VII. Fifth Member Appointment

On a motion made by Ms. Stanton and seconded by Mr. Pangallo, the Board by roll call, in accordance with Chapter 32 § 20(4)(b), to re-appoint Robert T. Lutts to the position of Fifth Member of the Salem Contributory Retirement Board. On roll call, the vote was as follows:

VOTED:	John H. Burke, Jr.	Yes
	Dominick Pangallo	Yes
	Sarah A. Stanton	Yes
	Chairman Sarah M. Hayes	Yes

VIII. Executive Session

A motion was made by Ms. Stanton, seconded by Mr. Burke, to enter into Executive Session in order to approve the executive session meeting minutes from the Board's meeting of March 30, 2016. On roll call, the vote was as follows:

VOTED:	John H. Burke, Jr.	Yes
	Robert T. Lutts	Yes
	Dominick Pangallo	Yes
	Sarah A. Stanton	Yes
	Chairman Sarah M. Hayes	Yes

At approximately 1:09 p.m., the Board went into Executive Session. The Chairman stated that the Board would return to Open Session.

At approximately 1:10 p.m., the Board reconvened in Open Session.

IX. Board Member Updates

The Board welcomed its newest member, Dominick Pangallo, who began his term on April 1, 2016, and will be serving on the Board as the Mayor's appointee. The Board also thanked John "Trigger" Burke Jr., for his nearly twenty years of service as the Second Elected Member of the Salem Contributory Retirement Board, as Mr. Burke had announced his resignation from the Board, effective April 30th, 2016. The Board discussed taking up the election of Mr. Burke's interim replacement at the May Regular Meeting of the Board.

X. Old Business

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

XI. New Business

The Board scheduled the May Regular Meeting of the Board for Wednesday, May 25, 2016, at 12:00 p.m.

On a motion made by Mr. Lutts and seconded by Mr. Burke, the Board voted 5-0 to adjourn the meeting at 1:19 p.m.

Next meeting of the Board scheduled for Wednesday, May 25, 2016, at 12:00 p.m.

Sarah M. Hayes, Chairman

Robert T. Lutts

Dominick Pangallo

Sarah A. Stanton

Documents used in SCRB Board meeting of April 27, 2016

- Agenda for April 27, 2016 SCRB Board meeting
- Open Session minutes of March 30, 2016 SCRB Board meeting
- April Cash Disbursements Warrant
- April Benefit Calculations, Transfers, and Refunds Report
- New Member Enrollment Report
- March Treasurer's Report
- March Cash Receipts
- March Trial Balance
- March monthly expenditure report
- Q1 Adjustments Report
- PRIT Fund reports
- PERAC memos