

SALEM RETIREMENT BOARD  
OPEN SESSION MEETING MINUTES  
JULY 20, 2017  
12:00 P.M.

**I. Regular Matters of Business**

In attendance at this regular meeting of the Salem Retirement Board (“the Board”) were Sarah A. Stanton (Chair), Sarah M. Hayes, Robert T. Lutts, Dominick Pangallo, and Marcia A. Pelletier  
Also in attendance were Board Treasurer Kathleen McMahon and Executive Director Paul Findlen

The meeting was called to order at approximately 12:00 p.m.

Meeting Minutes

The minutes of the previous Board meeting, held on June 28, 2017, were reviewed and, on a motion made by Mr. Pangallo and seconded by Ms. Hayes, the Board voted 4-0-1 (Ms. Pelletier abstaining due to absence) to approve the June meeting minutes as amended.

Monthly Warrants

The warrants for the month of July will be reviewed at the August regular meeting of the Board, due to the timing of the July meeting.

Applications to Purchase Service

The Board reviewed an application to purchase service submitted on behalf of Edward R. Zuppio, who applied to purchase service pursuant to M.G.L. c. 32 § 3(5), as well as an application submitted on behalf of Michael K. Wong, who applied to purchase service pursuant to M.G.L. c. 32 § 4(2)(b). On a motion made by Ms. Hayes and seconded by Mr. Lutts, the Board voted 5-0 to approve all applications to purchase service.

Benefit Calculations

All benefit calculations for the month of July were reviewed and, on a motion made by Mr. Pangallo and seconded by Mr. Lutts, the Board voted 5-0 to approve the July benefit calculations as submitted.

Recent Enrollments

All recent new enrollments were reviewed. On a motion made by Ms. Pelletier and seconded by Mr. Pangallo 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. Ms. McMahon noted that she has begun itemizing monthly receipts, as part of an ongoing effort to increase transparency and clarity. The Board reviewed the reconciliation report for the month of June. On a motion made by Mr. Lutts and seconded by Mr. Pangallo, 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 of all adjusting journal entries for the second quarter of 2017, a report on all cash receipts for the month of June, as well as a trial balance for the month of June for the Board's review. Mr. Findlen also presented the Board with a monthly expenditure report for the month of June, and a monthly report on the traffic experienced by the Board's website. The Board also reviewed a draft of an annual newsletter to benefit recipients, composed by Mr. Findlen, which was written to be included with the July notices of deposit. The Board also discussed Ms. Stanton's recent announcement that she will be stepping down from her position as the City Finance Director, and would thus resign from her position on the Board. The Board members and staff expressed that, while disappointed at no longer having the opportunity to serve alongside Ms. Stanton, they are happy for her new opportunity. On a motion made by Mr. Lutts and seconded by Ms. Pelletier, the Board voted 5-0 to acknowledge the Executive Director's Report.

### **IV. PERAC Memos**

The Board reviewed and discussed recently issued PERAC memos. The Board noted PERAC's announcement of a forthcoming memo discussing the repeal of MGL c. 32 § 90G3/4

Agenda item **V** was taken out of order

### **VI. 2017 Board Election Timeline Proposal**

Mr. Findlen presented an overview of the proposed timeline for the 2017 election of the second elected member of the Board. The Board also reviewed and discussed a "Policy on Procedures for the Election of Members to the Retirement Board", drafted by Board counsel Tom Gibson. On a motion made by Ms. Pelletier and seconded by Mr. Lutts, the Board voted 5-0 to appoint Paul Findlen as election officer. On a motion made by Mr. Pangallo and seconded by Mr. Lutts, the Board voted 5-0 to adopt the "Policy on Procedures for the Election of Members to the Retirement Board". On a motion made by Mr. Pangallo and seconded by Mr. Lutts, the Board voted 5-0 to approve the proposed timeline for the election of the second elected member of the Board.

Agenda item **VII** was taken out of order

### **VIII. Investment Policy Statement**

Mr. Findlen presented the SCRB's Investment Policy Statement (IPS) to the Board for an annual review. Mr. Findlen noted that the long-term actuarial rate of return listed in the "Yield" section had been revised to reflect the actuarial rate of return adopted by the Board, after its most recent actuarial study, and that the URL provided as a way to access PRIM's investment policy had been updated to reflect the new URL. The Board also discussed whether or not a change was required to the language included in section VI(A)("Board") that permits the Board to delegate the management of the Board's assets to managers outside of PRIM. If the Board is required to remain in PRIM in perpetuity, then the Board would not have such discretion. Mr. Findlen will follow up with PRIM and PERAC to determine whether or not the SCRB is required to be managed by PRIM in perpetuity. On a motion made by Mr. Lutts and seconded by Mr. Pangallo, the Board voted 5-0 to approve the changes made to the SCRB's Investment Policy Statement.

The Board will continue to review the IPS on an annual basis, or more frequently, if the need arises.

### **IX. Old Business**

There were no old business matters that came before Board.

### **X. New Business**

The Board discussed the implications of Ms. Stanton's resignation with regard to the chairmanship of the Board. Ms. Stanton gave her recommendation that Mr. Pangallo take up the role of Chair, while Ms. Hayes expressed her opinion that someone else may want to serve as chair. On a motion made by Ms. Hayes and seconded by Mr. Lutts to elect Ms. Pelletier as Chair of the Board, the Board voted 2-0-3 (with Mr. Lutts, Mr. Pangallo, and Ms. Stanton abstaining). As a result of the vote, the motion did not carry. On a motion made by Mr. Lutts and seconded by Ms. Stanton to elect Mr. Pangallo as Chair of the Board, the Board voted 3-0-2 (with Ms. Hayes and Ms. Pelletier abstaining) to elect Mr. Pangallo as Chair of the Board.

### **VII. Annual Staff Review/Performance Evaluation**

Mr. Findlen presented the Board with an overview of the staff's highlights and accomplishments over the past year. Mr. Findlen also presented the Board with a salary study from similarly situation retirement boards, per the Board's request. A motion was made by Ms. Hayes and seconded by Mr. Lutts to enter into Executive Session under Purpose 2 of the Open Meeting Law, which stipulates that a Board may enter Executive Session to "conduct strategy sessions in preparation for negotiations with nonunion personnel or to conduct collective bargaining sessions or contract negotiations with nonunion personnel". On roll call, the vote was as follows:

VOTED:	Sarah M. Hayes	Yes
	Robert T. Lutts	Yes
	Dominick Pangallo	Yes
	Marcia A. Pelletier	Yes
	Chair Sarah Stanton	Yes

At approximately 12:33 p.m. the Board went into Executive Session. The Chair stated that the Board would return to Open Session.

At approximately 12:58 p.m. the Board reconvened in Open Session and the Chair announced the Board's actions during Executive Session on the following items:

After reviewing the overview of the staff's highlights and accomplishments, as well as the salary study, the Board proposed adjusting Mr. Findlen's annual salary and Ms. Hersey's annual salary, to an amount that is commensurate with staff salaries in similarly situated retirement boards. The Board commended Mr. Findlen on the staff performance over the past year. The Board also encouraged Mr. Findlen to make use of the budgetary allocation for additional staff support, in case of any instances in which both Mr. Findlen and Ms. Hersey would be out of the office. On a motion by Ms. Pelletier and seconded by Mr. Pangallo, the Board voted 5-0 to adjust Mr. Findlen's annual salary to \$90,000 per year and Ms. Hersey's annual salary to \$60,000 per year, and award each with a 2.5% increase.

## V. Executive Session

A motion was made by Ms. Hayes and seconded by Mr. Lutts 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:	Sarah M. Hayes	Yes
	Robert T. Lutts	Yes
	Dominick Pangallo	Yes
	Marcia Pelletier	Yes
	Chair Sarah Stanton	Yes

At approximately 12:59 p.m. the Board went into Executive Session. The Chair stated that the Board would return to Open Session.

At approximately 1:03 p.m. the Board reconvened in Open Session and the Chair announced the Board's actions during Executive Session on the following items:

### Meeting Minutes

The Executive Session minutes of the Board meeting, held on May 25, 2017, were reviewed and, on a roll call vote, all members present at the May 25, 2017, meeting voted unanimously to approve the May Executive Session meeting minutes as submitted. The Executive Session minutes of the Board meeting, held on June 28, 2017, were reviewed and, on a roll call vote, all members present at the June 28, 2017, meeting voted unanimously to approve the June Executive Session meeting minutes as submitted.

The Board returned to open session to discuss the scheduling of the August Board meeting, which will resume the regular Board meeting schedule.

On a motion made by Ms. Pelletier and seconded by Ms. Hayes, the Board voted 5-0 to adjourn the meeting at 1:05 p.m.

Next meeting of the Board scheduled for Wednesday, August 30, 2017, at 12:00 p.m.

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Dominick Pangallo, Chair

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Sarah M. Hayes

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Robert T. Lutts

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Marcia A. Pelletier

Documents used in SCRB Board meeting of July 20, 2017

- Agenda for July 20, 2017 SCRB Board meeting
- Open Session minutes of June 28, 2017 SCRB Board meeting
- July Benefit Calculations Report
- New Member Enrollment Report
- Q2 Adjustments Report
- June Treasurer's Report
- June Cash Receipts
- June Trial Balance
- June monthly expenditure report
- Monthly Website Traffic Report
- PRIT Fund Statement
- PRIM Board's Summary of Plan Performance
- July 2017 Letter to Benefit Recipients
- Election Timetable
- Policy on Procedures for the Election of Members to the Retirement Board
- Overview of SCRB Staff Performance Highlights
- July 2017 Salary Survey
- Investment Policy Statement