

SALEM RETIREMENT BOARD
OPEN SESSION MEETING MINUTES
MARCH 28, 2018
12:00 P.M.

I. Regular Matters of Business

In attendance at this regular meeting of the Salem Retirement Board (“the Board”) were Dominick Pangallo (Chair), Laurie Giardella, Sarah M. Hayes, Robert T. Lutts, and Marcia A. Pelletier. Also in attendance were PRIM Senior Client Services Officer Paul Todisco, and SCRB Executive Director Paul Findlen.

The meeting was called to order at approximately 12:05 p.m.

Meeting Minutes

The minutes of the previous Board meeting, held on February 21, 2018, were reviewed and, on a motion made by Ms. Pelletier and seconded by Ms. Hayes, the Board voted 5-0 to approve the February meeting minutes as amended.

Monthly Warrants

The warrants for the month of March were reviewed and, on a motion made by Mr. Lutts and seconded by Ms. Pelletier, the Board voted 5-0 to approve the March warrants as submitted. Mr. Findlen noted the unusually large 3(8)(c) payment made out to the MTRS, which was apparently due to an internal audit that had revealed several instances previously unbilled liability. Mr. Findlen also noted the need an additional withdrawal from the Board’s PRIT Fund portfolio, in order to have enough liquidity to pay the unusually large invoice.

Benefit Calculations

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

Applications to Purchase Service

There were no new applications to purchase service credit that required the Board’s attention.

Recent Enrollments

All recent new enrollments were reviewed. On a motion made by Ms. Pelletier and seconded by Ms. Hayes the Board voted 5-0 to acknowledge the new enrollments as submitted.

II. Treasurer’s Report

The Board reviewed a comprehensive report on the monthly reconciliation performed by the Board Treasurer on behalf of the Board. The Board reviewed and briefly discussed the reconciliation report for the month of February. On a motion made by Ms. Pelletier and seconded by Ms. Giardella, 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 February, as well as a trial balance for the month of February for the Board's review. Mr. Findlen also presented the Board with a monthly expenditure report for the month of February, a monthly report on the traffic experienced by the Board's website, and a monthly report of the Employee Self-Service portal usage. The Board reviewed monthly statements of the SCRB's investment in the PRIT Core Fund for the months of January and February, prepared by the MA PRIM Board. The PRIT Core Fund grew by approximately 2.74% in the month of January and experienced a loss of approximately 2.39% in the month of February, resulting in net positive growth of 0.25% for the calendar year. The Board also reviewed the PRIM Board Quarterly Update for the fourth quarter of 2017. Mr. Findlen presented the Board with a letter from Ascent Venture Partners, as well as an enclosed Amendment to the agreement the SCRB currently has with Ascent Venture Partners. This agreement is the last remaining agreement the SCRB has in place with any investment managers outside of PRIM. The proposed amendment would extend the term of the partnership from December 31, 2017, up to December 31, 2020, to allow for the final liquidation of the AVP's one remaining investment in this particular fund. The Board discussed the efficacy of the extension and raised questions such as "how will the extension affect the Board's position in the investment?" and "what is the value of the extension to the Board?". On a motion made by Ms. Giardella and seconded by Ms. Pelletier, the Board voted 5-0 to decline Ascent Venture Partners request for an extension, and to request additional information. On a motion made by Ms. Pelletier and seconded by Ms. Hayes, the Board voted 5-0 to acknowledge the Executive Director's Report.

IV. PERAC Memos

The Board reviewed and briefly discussed PERAC memos #13/2018 and #14/2018.

V. PRIM Board Update

Paul Todisco, Senior Clients Officer, PRIM Board, presented a comprehensive overview of the PRIT Fund and its performance through Q4 2017. Mr. Todisco provided the Board with extensive handouts and provided details on the modifications made to the PRIT Fund's asset allocation, as well as updates on PRIM's organizational changes. Mr. Todisco also took questions from the Board, regarding the changes to the PRIT Fund's asset allocation, as well as PRIM's strategy to mitigate the effects of market volatility moving forward.

Mr. Todisco excused himself from the meeting at approximately 1:15 p.m.

VI. 2018 Spring MACRS Conference

The Massachusetts Association of Contributory Retirement Systems recently announced that the dates for the 2018 MACRS Kevin J. Regan Annual Conference had been confirmed for June 3rd through June 6th, and that this year's conference will be held at the Cape Cod Conference and Resort Center, as it has been in years past. On a motion made by Ms. Pelletier and seconded by Mr. Lutts, the Board voted 5-0 to approve travel to and attendance of the 2018 Spring MACRS Conference.

VII. COLA Vote

The Board had been made aware that the Social Security COLA for the past year was 2.0%. Notification was sent informing City Council that the Board would consider granting the CY2019 COLA at its meeting of March 28, 2018. On a motion made by Ms. Pelletier and seconded by Ms. Hayes, 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, 2018. On roll call, the vote was as follows:

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

VIII. Old Business

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

IX. New Business

The Board discussed the possibility of raising the COLA base from \$12,000 to \$13,000. Over the course of the discussion, the Board determined that more data would be helpful in making an informed decision on a potential increase. The Board will take this matter up again, once Segal Consulting has completed their actuarial valuation of the Board, as of January 1, 2018, and new funding schedule options, which reflect the impact of the potential increase, are made available.

On a motion made by Mr. Lutts and seconded by Ms. Giardella, the Board voted 5-0 to adjourn the meeting at 1:48 p.m.

Next meeting of the Board scheduled for Wednesday, April 25, 2018, at 12:00 p.m.

Dominick Pangallo, Chair

Laurie Giardella

Sarah M. Hayes

Marcia A. Pelletier

Robert T. Lutts

Documents used in SCRB Board meeting of March 28, 2018

- Agenda for March 28, 2018 SCRB Board meeting
- Open Session minutes of February 21, 2018 SCRB Board meeting
- March Warrants
- New Member Enrollment Report
- February Treasurer's Report
- February Cash Receipts
- February Trial Balance
- February monthly expenditure report
- PRIM Quarterly Update for Fourth Quarter 2017
- PRIT Fund January Statement
- PRIT Fund February Statement
- Ascent Venture Partners Amendment to Partnership Agreement
- Monthly Website Traffic Report
- Monthly ESS Usage Report
- PERAC Memo #13/2018
- PERAC Memo #14/2018 (excerpt)
- COLA Base Increase cost analysis, prepared by Segal Consulting
- CRAB decision: PERAC v. CRAB, SJC No. 12331
- December PRIT Fund Statement
- PRIM Board's Summary of Plan Performance
- PERAC Memo #7/2018