

SALEM RETIREMENT BOARD
OPEN SESSION MEETING MINUTES
AUGUST 28, 2019
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, and Marcia A. Pelletier
Also in attendance were Board Treasurer Kathleen McMahon and Executive Director Paul Findlen
Absent: Robert T. Lutts

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

II. Treasurer’s Report (taken out of order)

Board Treasurer, Kathleen McMahon, presented a comprehensive report on the monthly reconciliation performed on behalf of the Board. The Board reviewed the reconciliation report for the month of July. On a motion made by Ms. Pelletier and seconded by Ms. Hayes, the Board voted 4-0 to accept the Treasurer’s Report as submitted.

Ms. McMahon left the meeting at approximately 12:10 p.m.

I. Regular Matters of Business (resumed)

Meeting Minutes

The minutes of the previous Board meeting, held on July 24, 2019, were reviewed and, on a motion made by Ms. Pelletier and seconded by Ms. Hayes, the Board voted 3-0-1 (Mr. Pangallo abstained due to absence) to approve the July meeting minutes as submitted.

Monthly Warrants

The warrants for the month of August were reviewed. Ms. Pelletier asked Mr. Findlen for information regarding the \$2,000 payment to PBI for death auditing services. Mr. Findlen explained that the services would provide a safeguard against cases, like the one involving Larry Kuhn, in which benefit recipient deaths are not reported to the Board. Mr. Findlen went on to note that the annual benefit verification process can identify unreported deaths, but that it is inherently limited due to the amount of time that may pass between the date of death and the results of the verification process. Mr. Findlen added that, if the PBI product proves to be effective, the Board may have the option to conduct the verification process on a biennial basis, which would reduce mailing costs. On a motion made by Ms. Pelletier and seconded by Ms. Hayes, the Board voted 4-0 to approve the August warrants as submitted.

Applications to Purchase Service

The Board reviewed an application to purchase service submitted on behalf of Michael A. Jaras, who applied to purchase service pursuant to M.G.L. c. 32 § 3(8)(b), as well as applications to purchase service submitted on behalf of Roberta M. Ahearn, who applied to purchase service pursuant to M.G.L. c. 32 § 4(2)(c), as well as service in which deductions were omitted in error.

On a motion made by Ms. Giardella and seconded by Ms. Hayes, the Board voted 4-0 to approve the applications to purchase service.

Recent Enrollments

All recent new enrollments were reviewed. On a motion made by Ms. Giardella and seconded by Ms. Pelletier, the Board voted 4-0 to acknowledge the new enrollments as submitted.

Benefit Calculation Results

All benefit calculation results for the months of August were reviewed and, on a motion made by Ms. Pelletier and seconded by Ms. Hayes, the Board voted 4-0 to approve the August benefit calculation results as submitted.

III. Executive Director's Report

Mr. Findlen presented the Board with a report on all cash receipts for the month of July, a report of all adjusting journal entries for the second quarter of 2019, as well as a trial balance for the month of July for the Board's review. Mr. Findlen also presented the Board with a monthly expenditure report for the month of July, 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, prepared by the MA PRIM Board. The PRIT Core Fund grew by approximately 0.25% in the month of July, increasing the fund's return to 10.23% for the calendar year. The Board also reviewed the PRIM Board Quarterly Update for the second quarter of 2019. The update included a performance summary of the PRIT Fund for FY2019. PRIM noted that the growth experience by the PRIT Fund in FY2019, at the rate of 6.1%, underperformed the total core benchmark by 45 basis points. PRIM acknowledged that "some specific asset classes struggled to keep up with their benchmarks in the volatile environment, but we understand the causes, and our investment staff has already taken necessary steps to address these underperforming areas. On a motion made by Ms. Hayes and seconded by Ms. Pelletier, the Board voted 4-0 to acknowledge the Executive Director's Report.

IV. PERAC Memos

The Board reviewed and discussed PERAC memo #21/2019, as well as other recent and relevant PERAC memos.

V. 2019 Fall MACRS Conference

The Massachusetts Association of Contributory Retirement Systems recently announced that the dates for the MACRS Kevin J. Regan 2019 Fall Conference had been confirmed for September 29th through October 2nd, and that this year's conference will be held at the Sheraton Hotel in Springfield, as it has been in years past. On a motion made by Ms. Pelletier and seconded by Ms. Hayes, the Board voted 4-0 to approve travel to and attendance of the 2019 Fall MACRS Conference.

VI. Executive Session

A motion was made by Ms. Hayes and seconded by Ms. Pelletier 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:	Laurie Giardella	Yes
	Sarah M. Hayes	Yes
	Marcia Pelletier	Yes
	Chair Dominick Pangallo	Yes

At approximately 12:48 p.m. the Board went into Executive Session. The Chair stated that the Board would return to Open Session.

At approximately 12:54 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. Dennis A. Levasseur

The Board reviewed an application for accidental disability retirement benefits, submitted on behalf of Dennis A. Levasseur, together with a treating physician's statement, a statement submitted by Mr. Levasseur's employer, a medical panel report and narrative, as well as a summary of facts prepared by Mr. Findlen. On a motion made by Ms. Giardella and seconded by Ms. Pelletier to approve the application submitted on behalf of Dennis A. Levasseur, Deputy Fire Chief for the City of Salem, the roll call vote was as follows:

VOTED:	Laurie Giardella	Yes
	Sarah M. Hayes	Yes
	Marcia Pelletier	Yes
	Chair Dominick Pangallo	Yes

VOTED: The application submitted on behalf of Dennis A. Levasseur, for accidental disability retirement benefits, was approved by the Board and will be forwarded to PERAC for their final review

VII. Actuarial Services RFP

The Board reviewed proposals for actuarial services submitted on behalf of: Foster & Foster Actuaries and Consultants; KMS Actuaries, LLC; Segal Consulting; Stone Consulting, Inc. The Board determined that the proposals submitted had satisfied the requirement set forth in the RFP. The Board compared the fee schedules submitted by the firms, as well as the services provided. On a motion made by Ms. Pelletier and seconded by Ms. Hayes, the Board voted 4-0 to accept the proposal submitted by Segal Consulting and to enter into a new contract for actuarial services with Segal Consulting.

VI. Old Business

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

VII. New Business

The Board discussed the scheduling of the October meeting, and, in consideration of the increased activity in Salem around the Halloween holiday, the Board moved the meeting scheduled for October 30th at 12:00 p.m., to 9:00 a.m. After the scheduling was completed, Ms. Pelletier produced a copy of a letter sent to benefit recipients on July 25th, which accompanied a notice of deposit detailing the recent COLA increase. In the letter, Mr. Findlen included a paragraph announcing Board news, in which he noted that “Robert T. Lutts was re-appointed to serve as the Fifth Member of the Board, after participating in a competitive process to appoint the Fifth Member. This marks Robert’s 4th term serving on the Board.” Ms. Pelletier expressed her opinion that the letter was unintentionally misleading, as it gave the impression that the Board had re-appointed Mr. Lutts through a majority vote, when in fact, the Board vote came to a tie. In accordance M.G.L. c. 32 §20(4)(b), “[if] the fifth member is not chosen by the other four members within thirty days after the expiration of the term of the fifth member, said member shall be appointed in a city by the mayor, subject to confirmation by the city council”. As a result, Mr. Lutts was re-appointed by Mayor Kimberley Driscoll, and his re-appointment was confirmed by the city council. Ms. Pelletier requested that this distinction be reflected in the August meeting minutes. Mr. Findlen also informed the Board that PERAC had requested a Board review of earnings received by Ordinary Disability Benefits recipient, Kathleen Deschene, which had exceeded the limits set forth in M.G.L. c. 32 §91A. The Board determined that it will take up Ms. Deschene’s overearnings at the September meeting, and will inform Ms. Deschene that her case will be discussed at that meeting.

On a motion made by Ms. Giardella and seconded by Ms. Pelletier, the Board voted 4-0 to adjourn the meeting at 1:15 p.m.

Dominick Pangallo, Chair

Laurie Giardella

Sarah M. Hayes

Marcia A. Pelletier

Documents used in SCRB Board meeting of August, 2019

- Agenda for August 28, 2019 SCRB Board meeting
- Open Session minutes of July 24, 2019 SCRB Board meeting
- New Member Enrollment Report
- July Treasurer's Report
- July Cash Receipts
- Q2 Adjusting Journal Entries Report
- July Trial Balance
- July monthly expenditure report
- PRIT Fund July Statement
- PRIM Performance Update
- PRIM Quarterly Update Q2 2019
- Monthly ESS Usage Report
- Monthly Website Traffic Report
- PERAC Memo #21/2019
- Actuarial Services proposals submitted on behalf of: Foster & Foster Actuaries and Consultants; KMS Actuaries, LLC; Segal Consulting; Stone Consulting, Inc.