

SALEM RETIREMENT BOARD
OPEN SESSION MEETING MINUTES
DECEMBER 18, 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, and Robert T. Lutts

Also in attendance were Board Treasurer Kathleen McMahon and Executive Director Paul Findlen

Absent: Marcia A. Pelletier and Sarah M. Hayes

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

Meeting Minutes

The minutes of the previous Board meeting, held on November 18, 2019, were reviewed and, on a motion made by Mr. Lutts and seconded by Ms. Giardella, the Board voted 3-0 to approve the November meeting minutes as submitted.

Monthly Warrants

The warrants for the months of November and December were reviewed and, on a motion made by Mr. Lutts and seconded by Ms. Giardella, the Board voted 3-0 to approve the November and December warrants 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 Mr. Lutts and seconded by Ms. Giardella, the Board voted 3-0 to acknowledge the new enrollments as submitted.

Benefit Calculation Results

All benefit calculation results for the month of December were reviewed and, on a motion made by Ms. Giardella and seconded by Mr. Lutts, the Board voted 3-0 to approve the December benefit calculation results for Nina Capozzi, Jane E. Mitchell, and Deborah Phelan, as submitted.

II. Treasurer’s Report

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 November. Ms. McMahon noted that the remaining overpayments resulting from the eight benefit recipients who received two benefit payments in the month of May, due to an attempt to correct errant insurance premium rates that had been provided to the SCRS, had been recouped. On a motion made by Mr. Lutts and seconded by Ms. Giardella, the Board voted 3-0 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 November, as well as a trial balance for the month of November for the Board's review. Mr. Findlen also presented the Board with a monthly expenditure report for the month of November, 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 1.39% in the month of October, increasing the fund's return to 13.03% for the calendar year. The Board also reviewed the PRIM Board Quarterly Update for the third quarter of 2019. PRIM noted the third quarter decline of GDP growth, which was "down from the more than 3% reported in the first quarter. PRIM reported that "the current consensus is for quarterly GDP growth to bottom at approximately 1% in 2020 before rising again in 2021." PRIM also outlined three scenarios to explain the recent strength of equity markets. PRIM's expressed their bottom-line position by assuring that "[w]e will be watching closely for confirming data to support the recently rising equity markets and we continue to believe that the carefully constructed PRIT Fund asset allocation will enable strong performance in any of these potential scenarios." The Board also reviewed a draft budget proposal, presented by Mr. Findlen. Mr. Findlen noted that there were some areas of uncertainty, regarding the 2020 budget, such as the use of private audits, as described in PERAC memo #18/2019, in which PERAC announced that some annual private audit practices could be accepted "in lieu of segments of the PERAC audit". This practice raised the issue of whether or not the Board would bear the cost of a portion of the City of Salem's annual private audit, if segments of the PERAC audit were being satisfied by the private audit. The Board agreed to provisionally approve the budget, while leaving the possibility of amendment open, depending on whether or not it would be in the Board's best interest to pursue enhancing the annual private audit. On a motion made by Ms. Giardella and seconded by Mr. Lutts, the Board voted 3-0 to approve the CY2020, leaving open the potential for later amendment as needed. On a motion made by Ms. Giardella and seconded by Mr. Lutts, the Board voted 3-0 to acknowledge the Executive Director's Report.

IV. PERAC Memos

The Board reviewed and discussed the follow-up review of the findings and recommendations contained in the most recent PERAC audit, which covered the four-year period from January 1, 2013 through December 31, 2016. PERAC noted that the two findings reported in their audit had been satisfactory resolved. The Board also reviewed the required fiscal year 2021 appropriation amount, reported by PERAC, as well as other recent and relevant PERAC news.

V. Executive Session

A motion was made by Mr. Lutts and seconded by Ms. Giardella 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
	Robert T. Lutts	Yes
	Chair Dominick Pangallo	Yes

At approximately 12:43 p.m. the Board went into Executive Session. The Chair stated that the Board would return to Open Session.

At approximately 1:07 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. Eric H. Wilkins

The Board reviewed an application for accidental disability retirement benefits, submitted on behalf of Eric H. Wilkins, together with a treating physician's statement, as well as a statement submitted by Mr. Wilkins' employer. On a motion to accept the application submitted on behalf of Eric H. Wilkins, Maintenance Laborer for the Salem Housing Authority, and request the appointment of a regional medical panel, made by Ms. Giardella and seconded by Mr. Lutts, the roll call vote was as follows:

VOTED:	Laurie Giardella	Yes
	Robert T. Lutts	Yes
	Chair Dominick Pangallo	Yes

VOTED: The application submitted on behalf of Eric H. Wilkins, for accidental disability retirement benefits, was accepted and the Board will petition PERAC to convene a regional medical panel.

2. Michael J. Stuart

The Board reviewed an application for accidental disability retirement benefits, submitted on behalf of Michael J. Stuart, together with a treating physician's statement, a statement submitted by Mr. Stuart's employer, a medical panel report and narrative, medical records, as well as a summary of facts prepared by Mr. Findlen. On a motion made by Mr. Lutts and seconded by Ms. Giardella to postpone the vote on the application submitted on behalf of Michael J. Stuart, Maintenance Craftsman for the City of Salem's Department of Public Works, until the January meeting of the Board, at which time the Board may be fully constituted and Mr. Stuart may have an opportunity to appear before the fully constituted Board, the roll call vote was as follows:

VOTED:	Laurie Giardella	Yes
	Robert T. Lutts	Yes
	Chair Dominick Pangallo	Yes

VOTED: The application submitted on behalf of Michael J. Stuart, for accidental disability retirement benefits, will be voted on at the January Regular Meeting of the Board.

V. Old Business

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

VI. New Business

The Board reviewed a letter from Joseph I. Martin, Deputy Executive Director, sent to SCRB retiree Louis J. Dimambro, regarding Mr. Dimambro's 91A compliance status. According to the letter, PERAC had not yet received a completed Annual Statement of Earned Income for Calendar Year 2018 "in accordance with G.L. c32, §91A." The letter went on to explain that if Mr. Dimambro failed to file his statement, along with the accompanying documents, it would result in the termination of his disability retirement allowance. On a motion made by Mr. Lutts and seconded by Ms. Giardella, the Board voted 3-0 to terminate Louis J. Dimambro's disability retirement, until such time as he has satisfactorily filed his Annual Statement of Earned Income, and accompanying documents, for Calendar Year 2018.

On a motion made by Mr. Lutts and seconded by Ms. Giardella, the Board voted 3-0 to adjourn the meeting at 1:13 p.m.

Dominick Pangallo, Chair

Laurie Giardella

Robert T. Lutts

Documents used in SCRB Board meeting of December 18, 2019

- Agenda for December 18, 2019 SCRB Board meeting
- Open Session minutes of November 18, 2019 SCRB Board meeting
- November Cash Disbursements Warrant
- December Cash Disbursements Warrant
- December Benefit Calculation Results report
- New Member Enrollment Report
- November Treasurer's Report
- November Cash Receipts
- November Trial Balance
- November monthly expenditure report
- PRIT Fund October Statement
- PRIM Performance Update
- PRIM Quarterly Update Q3 2019
- Monthly ESS Usage Report
- Monthly Website Traffic Report
- 2020 Draft Budget Proposal
- PERAC Audit Follow-Up Results
- PERAC SCRB Appropriation for Fiscal Year 2021
- 91A Termination Letter (Louis J. Dimambro)