

**MINUTES OF MEETING
SAUGUS CONTRIBUTORY RETIREMENT BOARD**

Date: January 24, 2017

Location: Saugus Town Hall, 2nd floor Auditorium

Members Present: William E. Cross, III, Chairman
Eugene Decareau
Doreen L. DiBari
Mark A. Gannon
Donna Matarazzo

Staff Present: Theresa Richards
Ann C. Quinlan

Others Present: Mary Ellen Kench
Attorney James Carrigan
Attorney Michael Sacco

The meeting was called to order at 12.07 pm. Mr. Gannon made a motion, seconded by Mr. Decareau and passed 4-0 to accept the minutes of December 19, 2016. Mrs. DiBari arrived at 12:08 pm.

Executive Session:

At 12:08 pm, Chairman Cross asked the Board to enter Executive Session for discussing an Accidental Disability Application with the intent to reconvene to regular session. A roll call vote was taken, Cross-Y, Decareau-Y, Gannon-Y and Matarazzo-Y.

The accidental disability application process was taped by Mrs. Quinlan. A copy of the taped session will be put in the January 2017 minute folder, for review.

At 12:44 pm a roll call vote was taken, Cross-Y, Decareau-Y, DiBari-Y, Gannon-Y and Matarazzo-Y to reconvene to regular session.

Disbursements and Wire Transfers for January 2017

Payroll:	\$628,043.25
Expense:	\$ 88,101.49
Wire Transfer:	\$475,000.00

Mr. Gannon made a motion, seconded by Mrs. Matarazzo and passed 5-0 to approve the above disbursements.

Retirements: None

Deaths: None

New Members: Michael Capozzi, Senior Center - Van Driver 1/2/17
Samantha Doherty, School Dept. -Paraprofessional 1/3/17

Mr. Gannon made a motion, seconded by Mrs. Matarazzo and passed 5-0 to grant membership to the above named individuals upon receipt of proper paperwork. All parties involved will be notified.

Refunds: Maureen McDonald, SHA- Housing Manager
Margaret Bourque, School Department – Café Worker

Mr. Gannon made a motion, seconded by Mrs. Matarazzo and passed 5-0 to grant a refund of accumulated deductions to the above named individuals upon receipt of proper paperwork. All parties involved will be notified.

Transfers In: Stephen Almquist, School Dept. - Paraprofessional
Transfer in from State Retirement System
5/4/14-9/3/14, 4/8/14-9/9/15 – State accepts 8 months liability

Mr. Gannon made a motion, seconded by Mrs. Matarazzo and passed 5-0 to accept the transfer of the above named individual and give creditable service as stated by other system. All parties involved will be notified.

Transfers Out: Zoralys Molina, School Dept. - Paraprofessional
Transfer out to Cambridge Retirement System
9/3/14-9/16/16 – SRB accepts 2 years liability

Mr. Gannon made a motion, seconded by Mr. Matarazzo and passed 5-0 to approve the transfer out for the above named individual to said Retirement System with the creditable service as stated. All parties involved will be notified.

Buybacks & Make-ups: None

Military Service: None

Old Business:

Attorney Sacco gave an update on the request for repayment from Archie Bailey, POA for Eleanor Greene. There has not been any further correspondence. It is Attorney Sacco's opinion that it would be more costly to the Board to continue to pursue the repayment than what the Board would receive in return. All Board members were in agreement that all efforts were made to recoup this money and that it wouldn't be cost effective. The monies would be written off and notation in the file.

New Business:

Injury reports were submitted to the Board for review for Paul Bennett, Arthur Connors, Christopher Piscitelli, Ronald Ruskowski, Mark Scorzella & James Scott.

The Board of Selectman requested the Retirement System complete the FY16 Annual Report by February 16th. The report has been completed and will be sent to the Board of Selectman today after the Board's review.

The 2016 Disability Data has been reviewed, updated and sent to PERAC as annually requested.

The Saugus Retirement System is scheduled to have PERAC conduct a valuation study as of January 1, 2017. The required active, retiree/survivor and disability data as of December 31, 2016 has been sent to PERAC as of January 19, 2017 via the interchange portal at PERAC.

Attorney Sacco reviewed with the Board his most memos. The Gomes/Grimes case pertains to Reserve Credit. Attorney Sacco gave a brief history of the Reserve Credit. Members with Reserve Credit received up to a maximum of 5 years credit towards retirement at no cost. Then this was changed requiring members pay retirement contributions on money that was earned during this period with interest. If no salary was paid members had to pay retirement contributions on a base of \$5,000.00. The Gomes/Grimes case now will require the Retirement Systems return any monies that were accepted for Reserve Credit with interest at a rate the Board determined for the Herrick case. Anyone who did not pay for his or her service and had this service taken away will now have this service reinstated.

The Vernava/Kalu case states that a member and their Attorney should be notified at the same time otherwise it could alter the appeal process. It also makes the Board responsible to determine the essential duties of the member's position and whether the member can return to work or be put out on disability.

PERAC has now stated as of July 1, 2017 they will not review language or calculations of QDRO's sent to them from Retirement Boards. The Retirement Board's will need to determine this information. Attorney Sacco stated a good practice for the Board to initiate would be to send both parties of the QDRO a letter with the calculated benefit and back up. Both parties would have a deadline in order to review the document before the final determination. This would alleviate any surprises at the time of retirement.

There was discussion of whether an RFP was necessary in order to hire an investment counselor who would give an analysis of the System. Attorney Sacco explained the correct process to take in order to comply with the Law. He has assisted other Clients in completing a RFP for an Investment Advisor/Analyst. Even though the Board shares the same Federal Tax EIN, they can still engage in a contract. The estimated cost that Investment Consultants charge is from \$15,000-\$25,000 depending on the Board's preferences. After some discussion, Mrs. DiBari made a motion, seconded by Mr. Decareau and passed 5-0 to issue an RFP to hire an Investment Consultant to do an Analysis on the Saugus Retirement System with the assistance of Attorney Sacco. Attorney Sacco will send over a draft for Mrs. Quinlan to input the Retirement Board's information. It will be sent back to Attorney Sacco for review and a final draft be sent to the Board for a vote at the February 28, 2017 Board Meeting. The SRB Budget will be updated to include a line item for \$25,000.00 for investment consultation costs.

In further discussing the Federal Tax EIN, Attorney Sacco again explained the importance should a tax related error occur as has happened with the Plymouth Retirement System a few years prior. They had a yearend reporting error and the IRS wanted to include the Town's penalties to the

Retirement Boards costs. This was resolved and the Board didn't have to pay the Towns portion. The Board filed for a separate ID after this incident. The Saugus Retirement Board applied for a separate ID but was denied as it requires the responsible party to include their social security number on the application. Town Treasurer was not comfortable including her personal information with the application. The Board is at a standstill as the IRS will not allow for other parties to apply. After some discussion, Mr. Gannon made a motion, seconded by Mr. Decareau and passed 5-0 to request Attorney Sacco send a letter to the Town Manager, CC Town Treasurer and Board of Selectman pleading for their assistance in reconciling this issue. It will be asked for a reply prior to the next Board meeting so it can be further discussed at that time.

Attorney Sacco was asked to review with the Board the importance of Ch. 32, S 100B for the retirees of the Retirement System. This section of the law requires a panel be established with the purpose of reviewing all accidental disability retiree medical bills for approval or denial of payment. There isn't one specific process for the panel to follow but most meet either monthly or quarterly to review records. The panels meetings must follow the same meeting rules as other committees/commissions as far as Agenda and Minutes. After some discussion, Mr. Decareau made a motion, seconded by Mr. Gannon and passed 5-0 to have Attorney Sacco send a letter to the Town Manager, Cc the Human Resource Director requesting their assistance in establishing this panel as required by law. Attorney Sacco will stress the importance of the quickness of this panel being established as the town will be held liable should a retiree want to sue over an unpaid bill.

Each Board member was given a list of their quarterly education credits from PERAC. They are asked to review this information and inform Mrs. Quinlan if there are any discrepancies.

The Board members reviewed all the correspondence and will further discuss the Public Records Law and call for a special COLA meeting at the February Board meeting.

The following correspondence was given to the board:

1. Valuation Study for Active Member, Retirees/Survivor data
2. PERAC Memo#28/2016 2016 Disability Data Report
3. PERAC Memo#29/2016 The Buyback of Call Firefighter Time
4. PERAC Memo#30/2016 Annual Review of Medical Testing Fee
5. PERAC Memo#1/2017 Updated Public Records Laws
6. PERAC Memo#2/2017 Binding Effect of PERAC's Memoranda on all Retirement Boards
7. PERAC Memo#3/2017 2017 Limits under Chapter 46 of the Acts of 2002
8. PERAC Memo#4/2017 limits under Section 23 of Chapter 131 of the Acts of 2010
9. PERAC Memo#5/2017 COLA notice 2017
10. PERAC Memo#6/2017 Mandatory Retirement Board Member Training
11. PERAC Memo#7/2017 Actuarial Data
12. PERAC Memo #8/2017 Continuing Membership of Non Full Time Employees
13. PERAC 2015 Schedule 7 Fee Report
14. Kelly McCracken, Dukes County Administrator – May 16-17, 2017 Conference
15. Monthly Accounting Reports & Attendance
16. Mass Retiree January 2017 Newsletter
17. PRIM Board – Annual CAFR Report
18. Attorney Sacco- Memo to Boards on Gomes and Grimes CRAB Decision
19. Attorney Sacco – Memo to Boards on Police Details- Savage case- PERAC Memo#29/2016
20. Attorney Sacco – Memo to Boards on Public Records Law
21. Attorney Sacco – Memo to Boards DeFelice SJC Decision – Once a Member Always a Member
22. Attorney Sacco – Firms conflict of Interest Law Certificates of Completion
23. Wendy Hatch, Finance Director & Treasurer/Collector – Date Clarification Request
24. Wendy Reed, Board of Selectman Clerk – FY Annual Report Request

A motion to adjourn the meeting at 1:18 pm was made by Mr. Gannon seconded Mrs. Matarazzo. The next scheduled meeting is Tuesday, February 28, 2017 at 8:30 am. .

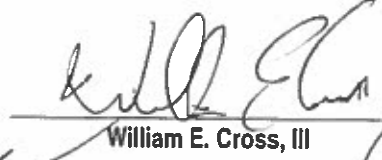
Respectfully submitted,

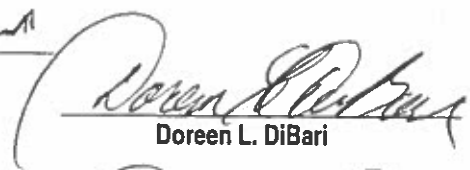


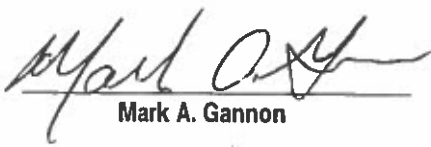
Ann C. Quinlan
Board Administrator

APPROVED BOARD OF RETIREMENT:


Eugene F. Decareau


William E. Cross, III


Doreen L. DiBari


Mark A. Gannon


Donna Matarazzo