

**MINUTES OF MEETING
SAUGUS CONTRIBUTORY RETIREMENT BOARD**

Date: February 28, 2017

Location: First Floor Conference Room, Town Hall

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

Staff Present: Theresa Richards
Ann C. Quinlan

Members Absent: Donna Matarazzo

At 8:30am, the meeting was called to order. Mrs. DiBari made a motion, seconded by Mr. Gannon and passed 4-0 to accept the minutes of January 24, 2017. Mrs. Matarazzo was absent due to a death in the family.

Executive Session:

At 8:32am, Chairman Cross asked the Board to enter Executive Session for discussing a Medical Panel Certificate with the intent to reconvene to regular session. Mrs. Quinlan took a roll call vote: Cross-Y, Decareau-Y, DiBari-Y and Gannon-Y.

At 8:38 am, Mrs. Quinlan took a roll call vote to reconvene to regular session: Cross-Y, Decareau-Y, DiBari-Y, and Gannon-Y.

Disbursements and Wire Transfers for February 2017

Payroll: \$676,838.07
Expense: \$ 57,236.04
Wire Transfer: \$475,000.00

Mr. Gannon made a motion, seconded by Mr. Decareau and passed 4-0 to approve the above disbursements.

Retirements: None

Deaths: None

New Members: Christopher Taylor, Police Officer, 1/30/17
Gabriela Lagattolla, Human Resource Manager, 2/6/17

Mr. Gannon made a motion, seconded by Mr. Decareau and passed 4-0 to grant membership to the above named individuals upon receipt of proper paperwork. The Board will notify all parties involved of the Boards vote.

Refunds: None

Transfers In: None

Transfers Out: None

Buybacks & Make-ups: Susan Harrington, School Department, is interested in purchasing her Non-member (part-time) service with the Town of Saugus from January 1, 1996-August 30, 1999. Creditable service will be 7 months, if a proper make up is paid.

Mrs. DiBari made a motion, seconded by Mr. Decareau and passed 4-0 to approve the purchase of prior service to the above named individuals upon receipt of proper paperwork. The Board will notify all parties involved of the Boards vote.

Military Service: None

Old Business:

The Board Members were give a final draft of the Investment Consultant RFP. The Board's contact information and specific dates pertaining to the RFP were added to the RFP template Attorney Sacco provided to the Board. After a brief discussion, Mr. Decareau made a motion, seconded by Mr. Gannon and passed 4-0 to post the RFP as presented to the Board. Attorney Sacco sent a checklist of where and when to post the RFP to be in compliance. The Board will be kept informed throughout the process.

The Board reviewed the proposed budget for FY18. There was a request to increase the Professional Services line item to account for the RFP. After a brief discussion, Mrs. DiBari made a motion, seconded by Mr. Decareau and passed 4-0 to give a 3% salary increase to the staff effective January 1, 2017. An updated FY18 budget will reflect this increase in order for the Board Members to sign the budget at the next meeting.

On January 1, 2017, a new Public Records Law became effective. The Retirement Board Members must appoint a Records Access Officer, which must be posted on the Retirement Board website. Mr. Gannon made a motion, seconded by Mrs. DiBari and passed 4-0 to appoint Administrator Ann Quinlan as the Records Access Officer.

The Board received copies of the two letters Attorney Sacco sent to the Town Manager regarding a separate Federal Tax ID for the Board and an update on the 100B committee. Attorney Sacco had requested a reply by February 28th from the Town Manager in order for the Board to discuss further at today's meeting. The Federal Tax ID letter was sent to the Town Manager and a cc to Board of Selectman Chairman Debra Panetta and Town Finance Director and Town Treasurer Wendy Hatch. The Ch41. S100B letter was sent to the Town Manager and cc to Human Resource Director Lisa Crowley. As of the meeting, no correspondence has come to the Retirement Board or Attorney Sacco from the Town Manager or other Town representative. Attorney Sacco will be contacted for further guidance in trying to resolve these issues.

The Retirement Board staff identified all active and retired members of the Saugus Retirement System that have reserve time. Any member that was appointed but did not have earnings will be given full creditable service at no cost. Anyone that had purchased this non-earnings reserve service will receive a refund plus 3% interest. However, no action will take place until the Board gets confirmation from Attorney Sacco that the DALA decision has not been overturned. If there is an appeal and it appears to be a lengthy one, the Board would then refund the monies sooner. The Board members will be notified of any issue updates.

PERAC Memo#8/2017 discusses the continuing membership of "Non Full Time Employees". If an employee who has qualified for membership with the Saugus Retirement System has their hours reduced, they would remain contributing to the Retirement System with a prorated creditable service. In the past, the Saugus Retirement Board would have excluded them from membership. If this same member leaves employment and then comes back at a position that would not qualify for Retirement enrolment, the member would not be reenrolled into the retirement system. The member must meet the membership criteria. The Board staff reviewed all the files and located two individuals that were affected by this clause. They will be notified of their rights to purchase the prior service. Going forward the Retirement Board will adhere to this memo when faced with these instances.

All Board members have signed up for at least one Board training class. Those Board members needing more than three credits this year have been notified of future training sessions.

The Retirement Board staff requested a list from HR for anyone out of work on workers compensation, 111F, FMLA, etc. A letter was sent to all individuals listed requesting they sign an authorization form allowing for their injury reports, dates of leave, etc. be sent to the Retirement Board for our records. Should anyone be on leave without pay they will be notified of their right to purchase 1 months' time.

No date has been confirmed for Mrs. Kench's medical panel review. The Board will notify all parties involved of any updates.

New Business:

An injury report was submitted to the Board for review for Jonathan Maes. Assistant Police Chief Ron Giorgetti submitted a status update on Paul Bennett, Thomas Jones, Mark Scorzella & James Scott. After sending Kevin Vater and Austria Paulino letters requesting they complete an authorization form for release of records to the Board, they both supplied the form, which was submitted to HR for release of records. Injury reports were received for both of them as well.

The Board Members set a date of April 26, 2017 at 10:00 am for the Special COLA meeting. A letter will be sent to the Board of Selectman giving the 30-day notice required by law.

In reviewing contracts for the Saugus Patrolman, it was found that the Ch. 32, Section 100 killed in the line of duty survivors were being paid at the top step 3 for Patrolman. However, if the deceased Patrolman were still alive they would have exceeded 20 years of service and therefore should be paid at the Step 20 pay. We will notify the surviving spouses of this correction and it will be retroactive to when the Patrolman's contract adopted step 20.

A PERAC opinion letter had been on file since 19" stating that a member's longevity payment would not be included in the calculation for a Ch32, S100 benefit. A court decision in 2012 Savlis v. Brockton Retirement Board stated that longevity would be included in a benefit calculation. Even though PERAC and Saugus Retirement Board were not parties in this decision, the Board sought legal opinion to see if the Board could increase the

two surviving spouses in its system. After receiving an affirmative answer, Mr. Decareau made a motion, seconded by Mr. Gannon and passed 4-0 to include longevity as part of the calculation benefit for any Ch32, s100 benefits and to pay retroactively to January 1, 2012. The Board will notify all parties involved of the Board's decision.

There will be an Administrators conference on May 15th & 16th

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 Board received the following correspondence:

1. PERAC Memo #7/2017 –Actuarial Data
2. PERAC Memo #8/2017- Continuing Membership of “Non-Full time Employees”
3. PERAC Memo #9/2017- Buyback & Make Up Repayment Worksheets
4. PERAC Memo #10/2017- Domestic Relations Orders
5. PERAC Memo #11/2017- 2017 Annuity Savings Account
6. PERAC Memo #12/2017- Interest Rate set at 0.1%
7. PERAC Memo #13/2017- Administrator are encouraged to attend PERAC trainings
8. Kelly McCracken, Dukes County Administrator – May 16-17, 2017 Conference
9. Saugus Retirement Board Members Credits document for PERAC training
10. Attorney Sacco
11. Final document of Annual Report for Town of Saugus
12. Mass Retiree Newsletter – March 2017

A motion to adjourn the meeting at 9:19 am was made by Mr. Gannon seconded Mr. Decareau. The next scheduled meeting is Monday, March 27, 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