

MINUTES

MEETING OF THE PEABODY RETIREMENT BOARD TUESDAY, APRIL 16, 2019 – 7:00 A.M.

Chairman Yagjian called the meeting to order at 7:00 A.M. Board members present were Ms. Linda Cavallon, Mr. Joseph DiFranco, Mr. Michael Gingras, and Mr. Edward Lomasney.

ON MOTION BY MS. CAVALLON, 2ND BY MR. LOMASNEY, IT WAS VOTED UNANIMOUS TO ACCEPT THE MINUTES OF THE MARCH 19, 2019 RETIREMENT BOARD MEETING.

SUPERANNUATION RETIREMENT:

The Board reviewed the Application for Voluntary Superannuation Retirement and Choice of Retirement Option Form at Retirement submitted for the following members and **ON MOTION BY MR. DiFRANCO, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO APPROVE.**

Robert Creeden	Firefighter	57 years old	32 years 1 month	04/19/2019
John DeRosa, Jr.	Police Captain	57 years old	32 years	05/04/2019
Cynthia J. Ransom	Senior Clerk	66 years old	18 years	05/25/2019
Linda Valaitis	Financial Specialist	60 years old	31 years 10 months	06/29/2019

NEW MEMBERS:

The following candidates for membership have completed their New Member Enrollment Form, Beneficiary Selection Form, been physically cleared, and provided birth certificates for themselves and applicable beneficiaries and **ON MOTION BY MS. CAVALLON, 2ND BY MR. DiFRANCO, IT WAS VOTED UNANIMOUS TO APPROVE.**

Dianne Gagnon	SPED Paraprofessional	Group 1	03/08/2019
Jacob Barrett	HMEO/Water	Group 1	03/11/2019
Jonathan McCloskey	Behavioral Analyst/School	Group 1	03/11/2019
Michael Diachisin	DPS/Mason Tender	Group 1	03/11/2019

BUYBACKS:

Michelle Melanson works for Brooksby Farm. She is requesting to make up time she worked over 20 hours between 2004 and 2014 for 10 months of creditable service totaling \$1,639.84.

Carol Myers works for the School Department. She is requesting to make up time she worked over 20 hours between 2002 and 2017 for 3 years 5 months of creditable service totaling \$8,365.43.

ON MOTION BY MR. LOMASNEY, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO APPROVE.

REFUNDS:

Ms. Barbara Cashman is a former employee who transferred to the Massachusetts Teachers Retirement System in 2014. While she transferred to a different retirement system, she remained in the School Department pay system and they did not remove her additional 2% deductions from the payroll system. Between 2014 and 2018 \$1,170.65 was erroneously deducted from her pay and credited to other employee's annuity savings and earnings deductions. PTG has reversed the errors and corrected all applicable records. The Retirement Board must refund Ms. Cashman the \$1,170.65.

Ms. Irene Johnson is an inactive employee for more than 10 years and is taking a refund with 5 years 8 months of creditable service totaling \$5,404.82.

ON MOTION BY MS. CAVALLON, 2ND BY MR. LOMASNEY, IT WAS VOTED UNANIMOUS TO APPROVE.

ROLLOVER:

Mr. James Libby worked for PMLP from 7/18/2014 through 2/2/2018. He has 3 years 6 months of creditable service. Mr. Libby is rolling over his annuity savings to an IRA totaling \$25,512.44. **ON MOTION BY MR. LOMASNEY, 2ND BY MR. DiFRANCO, IT WAS VOTED UNANIMOUS TO APPROVE.**

ACCEPT LIABILITY:

Ms. Kathleen Melvin Lulry worked for the Peabody School Department and transferred her time to Lawrence Retirement. She has time from 01/15/1998 – 10/17/2001 for a total of 93 weeks (1 year 9 months) of creditable service that she would like to buyback through the Lawrence Retirement System. **ON MOTION BY MS. CAVALLON, 2ND BY MR. LOMASNEY, IT WAS VOTED UNANIMOUS TO ACCEPT THE LIABILITY FOR THE 1 YEAR AND NINE MONTHS OF CREDITABLE SERVICE.**

WARRANTS:

ON MOTION BY MR. LOMASNEY, 2ND BY MR. DiFRANCO, IT WAS VOTED UNANIMOUS TO APPROVE THE FOLLOWING WARRANT:

#032719 03/27/2019 Pension Payroll \$1,689,840.70

ON MOTION BY MR. LOMASNEY, 2ND BY MR. DiFRANCO, IT WAS VOTED UNANIMOUS TO APPROVE THE FOLLOWING WARRANT:

#041019 04/10/2019 IRS Withholding – I. Johnson Refund \$1,351.20

ON MOTION BY MR. LOMASNEY, 2ND BY MR. DiFRANCO, IT WAS VOTED UNANIMOUS TO APPROVE THE FOLLOWING WARRANT:

#041119 04/11/2019 Miscellaneous Bills \$60,461.44 as follows:
 \$ 174.00 - Bank of America - Boardpaq
 \$ 1,170.65 - Barbara Cashman - Refund of Erroneous Deductions
 \$25,512.44 - Citizens Bank - IRA rollover for James Libby
 \$23,509.09 - 3(8)(c) - Danvers Retirement System
 \$ 4,504.82 - Irene Johnson Refund
 \$ 670.00 - MACRS Spring Conference Registration
 \$ 4,020.44 - 3(8)(c) – Newburyport Retirement System

BOARD & STAFF PAYROLL:

ON MOTION BY MS. CAVALLON, 2ND BY MR. DiFRANCO, IT WAS VOTED UNANIMOUS TO APPROVE THE FOLLOWING BOARD AND STAFF PAYROLLS TOTALING \$12,857.14:

03/27/2019 for \$6,428.60 and 04/10/2019 for \$6,428.54 totaling \$12,857.14.

CASH BOOKS:

ON MOTION BY MR. LOMASNEY, 2ND BY MR. DiFRANCO, IT WAS VOTED UNANIMOUS TO RECEIVE AND APPROVE THE JANUARY 2019 CASH BOOKS CONTAINING THE FOLLOWING DOCUMENTS:

Pooled fund worksheet and PRIT General Allocation Account Market Value of \$150,115,253.71
 Cash Receipts Report for the period 1-31 January totaling \$2,016,099.22
 Cash Disbursements Report for the period 1- 31 January totaling \$1,855,268.26
 Adjusting Journal Entries for the period 1-31 January totaling \$6,367,306.32
 Trial Balance Report for the period ending 31 January
 General Ledger for the period ending 31 January
 Budget Report for the period ending 31 January
 Treasurer Bank Reconciliation Report - Eastern Bank January
 Eastern Bank Statements (Checking & Payroll) January
 Budget to Actual Expense through 31 January
 Cash Flow Forecast through February 2019

ON MOTION BY MR. LOMASNEY, 2ND BY MR. DiFRANCO, IT WAS VOTED UNANIMOUS TO RECEIVE AND APPROVE THE FEBRUARY 2019 CASH BOOKS CONTAINING THE FOLLOWING DOCUMENTS:

Pooled fund worksheet and PRIT General Allocation Account Market Value of \$152,066,971.83
 Cash Receipts Report for the period 1-28 February totaling \$1,913,052.22
 Cash Disbursements Report for the period 1- 28 February totaling \$1,959,482.23
 Adjusting Journal Entries for the period 1-28 February totaling \$1,974,732.35
 Trial Balance Report for the period ending 28 February
 General Ledger for the period ending 28 February
 Budget Report for the period ending 28 February

Treasurer Bank Reconciliation Report - Eastern Bank February
 Eastern Bank Statements (Checking & Payroll) February
 Budget to Actual Expense through 28 February
 Cash Flow Forecast through March 2019

PERAC CORRESPONDENCE:

ON MOTION BY MS. CAVALLON, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO RECEIVE THE FOLLOWING PERAC CORRESPONDENCE:

PERAC Memo 12/2019 - Tobacco Company List

PERAC Memo 13/2019 - Mandatory Board Member Training - Second Quarter 2019

PERAC Memo 14/2019 - Forfeiture of Retirement Allowance for Dereliction of Duty Members

NOTE: The list of ineligible has been vetted against the Peabody Retirement System membership and none are employed within the Peabody system.

PERAC Pension News Issue #51

PRIT/PRIM:

ON MOTION BY MS. CAVALLON, 2ND BY MR. LOMASNEY, IT WAS VOTED UNANIMOUS TO RECEIVE THE FOLLOWING PRIT REPORTS AND CORRESPONDENCE:

February 2019 PRIT Summary of Account Activity and Investment Update totaling \$152,066,971.83

PRIM Performance Update - 4th Quarter 2018

PRIM / PRIT - Annual Disclosure Presentation

PRIM Adopts Global Investment Performance Standards (GIPS) from CFA Institute

PRIT Redemption - 1 April 2019 for \$1,500,000.00

MISCELLANEOUS:

Correspondence from DALA. Ms. Sharon Druhan and Mr. Glenn Trueira have filed appeals with DALA and both have been accepted by DALA. Ms. Druhan sent a letter to the Chief Administrative Magistrate McGrath on January 28, 2019 requesting to withdraw her appeal. Mr. Trueira notified the Board by email on March 8, 2019 that he would be sending a letter to DALA to withdraw his appeal. The Pension Administrator has written to the Chief Magistrate inquiring if the withdrawals have been accepted by the court. DALA confirmed on April 2, 2019 that both appeals have been withdrawn.

ON MOTION BY MR. DIFRANCO, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO RECEIVE.

MISCELLANEOUS:

MACRS Spring 2019 Conference. Board Member Joseph DiFranco requests to attend the MACRS Conference in Hyannis. The conference dates are June 1 through 5, 2019. **ON MOTION BY MR. GINGRAS, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO APPROVE.**

NEW BUSINESS:

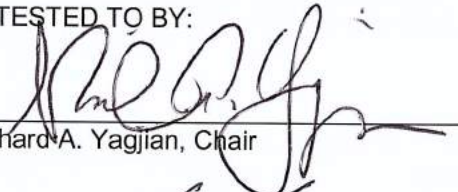
DISCOVERY OF DATA FLAW IN PTG SOFTWARE. We discovered a data flaw in PTG effecting employees that have a service buyback. When the buyback deductions are uploaded from ADP to PTG the system is taking the buyback amount and calculating what the earnings would be on that deduction and erroneously adding that dollar figure to the employee's salary. We have identified 69 active employees currently in a buyback or have completed a buyback that are affected. Corrective action has been taken to stop any future error. PTG is working on a solution to correct all records to remove the erroneous calculations. Unfortunately, the pension administrator recently provided a retirement estimate to a police officer contemplating retirement who has just finished a 5-year buyback. His buyback amount was \$96.23 per pay period. He is a 9% contributor and the system calculated and credited his pay record with an additional \$1,069.22 each pay period between April 2014 and August 2017. When the estimate was processed in 2018 using the last 36 months of salary, the flawed data calculated his average earnings to be nearly \$20,000.00 greater than his actual earnings. Neither the pension administrator nor the employee caught the error at that time. The pension administrator has drafted a cover letter that will accompany all future retirement estimates. The letter informs the employee of the source of reported earnings used to calculate the estimate; advises the employee of his/her responsibility to verify all data on the retirement estimate; responsibility to inform the pension administrator of any incorrect information, informs the employee it is only an estimate and nothing is final until approved by PERAC; the requirement for vetting

final/highest earnings for anti-spiking at the time of retirement; and that the Retirement Board is not bound by the estimate.

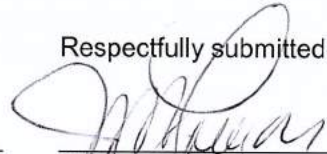
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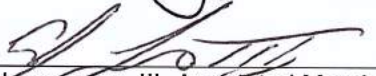
May 2019 Retirement Board Meeting: The next regular meeting of the Peabody Retirement Board will be Tuesday, May 21, 2019. The Board will convene at 7:00 a.m. in the Lower Level Conference Room of Peabody City Hall. **ON MOTION BY MS. CAVALLON, 2ND BY MR. GINGRAS IT WAS VOTED UNANIMOUS TO ADJOURN THE MEETING AT 7:35 A.M.**

ATTESTED TO BY:

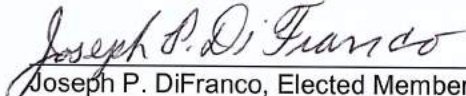

Richard A. Yagjian, Chair

Respectfully submitted:


James W. Freeman, Pension Administrator


Edward J. Lomasney, III, Appointed Member


Michael Gingras, Ex-Officio Member


Joseph P. DiFranco, Elected Member


Linda Cavallon, Elected Member