

MINUTES

MEETING OF THE PEABODY RETIREMENT BOARD
WEDNESDAY, DECEMBER 12, 2018 – 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 MR. DIFRANCO, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO ACCEPT THE MINUTES OF THE NOVEMBER 13, 2018 RETIREMENT BOARD MEETING.

BUYBACKS:

Mr. James Hafey is the Facilities Manager and is requesting to buyback time he worked in the Gloucester Retirement System. The creditable service would be 6 years 10 months totaling \$72,952.37. **ON MOTION BY MR. LOMASNEY, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO APPROVE.**

Mr. Glenn Trueira is the Light Plant Manager and is requesting to buyback time he worked for the Light Plant as a co-op student in 1984, 1985, and 1986. The creditable service would be 10 months totaling \$12,052.38. **ON MOTION BY MR. LOMASNEY, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO APPROVE.**

SUPERANNUATION RETIREMENT:

The Board reviewed the Application for Voluntary Superannuation Retirement and Choice of Retirement Option Form at Retirement for Mr. Glenn Trueira and **ON MOTION BY MS. CAVALLON, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO APPROVE.**

Glenn Trueira PMLP Manager 54 years old 33 years 4 months 01/08/2019

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 MR. DIFRANCO, 2ND BY MR. LOMASNEY, IT WAS VOTED UNANIMOUS TO APPROVE.**

Shawn Crocker	Firefighter	Group 4	09/10/2018
Andrew Lesperance	Paraprofessional	Group 1	09/14/2018
Linda Jepson	Council on Aging CNA	Group 1	10/23/2018
Elaine Miller	Council on Aging Bookkeeper	Group 1	11/08/2018
Benvenido e La Cruz	PMLP Operator	Group 1	11/08/2018
Thomas Santos	Council on Aging Custodian	Group 1	11/08/2018
Laurence Olcott	DPW Weekend Foreman	Group 1	11/30/2018

TRANSFER:

Mr. Ronald Shah was a Building Inspector and is transferring to Malden Retirement System with 2 years 5 months of creditable service totaling \$15,613.29. **ON MOTION BY MS. CAVALLON, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO APPROVE.**

WARRANTS:

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

#112818 11/28/2018 Pension Payroll \$1,783,043.02

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

#120618 12/06/2018 Miscellaneous Bills \$20,428.18 as follows:
 \$15,613.29 - Malden Retirement System - Ronald Shah
 \$ 2,502.00 - U. S. Postmaster - Switchboard account
 \$ 1,544.00 - Attorney Sacco - Legal Services

\$ 437.31 - Kingsbury Press - 2018 1099R forms
 \$ 236.80 - Thriftco Printing - Envelope purchase
 \$ 49.00 - U. S. Postmaster - Stamps
 \$ 45.78 - James Freeman - Travel reimbursement

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

#121318 12/13/2018 Miscellaneous Bills \$379.00 as follows:
 \$174.00 - Bank of America - BoardPaq
 \$131.28 - Sharon Druhan - Erroneous retirement deductions
 \$ 73.72 - W.B. Mason - Office supplies

BOARD & STAFF PAYROLL:

ON MOTION BY MR. DiFRANCO, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO APPROVE THE FOLLOWING BOARD AND STAFF PAYROLLS TOTALING \$13,560.49:

11/21/2018 for \$7,135.74 and 12/05/2018 for \$6,424.75

CASH BOOKS:

ON MOTION BY MS. CAVALLON, 2ND BY MR. LOMASNEY, IT WAS VOTED UNANIMOUS TO RECEIVE AND APPROVE THE OCTOBER 2018 CASH BOOKS CONTAINING THE FOLLOWING DOCUMENTS:

Pooled fund worksheet and PRIT General Allocation Account Market Value of \$147,070,031.83
 Cash Receipts Report for the period 1-31 October totaling \$2,347,631.14
 Cash Disbursements Report for the period 1-31 October totaling \$1,687,936.66
 Adjusting Journal Entries for the period 1-31 October totaling \$7,499,070.14
 Trial Balance Report for the period ending 31 October
 General Ledger for the period ending 31 October
 Budget Report for the period ending 31 October
 Treasurer's Bank Reconciliation Report - Eastern Bank October 2018
 Eastern Bank Statements (Checking & Payroll) October 2018
 Budget to Actual Expense through 31 October
 Cash Flow Forecast through November 2018

PRIT/PRIM:

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

October 2018 PRIT Summary of Account Activity and Investment Update totaling \$147,070,031.83.

PERAC CORRESPONDENCE:

Required FY 2020 Appropriation Letter totaling \$12,709,467.00. The Peabody Municipal Light Plant is responsible for \$1,672,706.00 and the Peabody Housing Authority for \$289,878.00 of the total appropriation. **ON MOTION BY MR. GINGRAS, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO RECEIVE.**

New PERAC Executive Director Selection. Mr. John Parsons, PERAC General Counsel has been selected as Executive Director. **ON MOTION BY MR. GINGRAS, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO RECEIVE.**

PERAC Pension News - November 2018. **ON MOTION BY MR. GINGRAS, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO RECEIVE.**

PERAC Memo 33-18: CRAB's Order of Partial Stay Regarding Regular Compensation Status of Payments Made In lieu of Unused Leave Time. This memo provides PERAC guidance on retirement deductions from unused vacation time pending a final decision from CRAB. No action is needed for Peabody Retirement Board at this time as only the Peabody Housing Authority has a vacation buyback program and does not take retirement deductions as the payment is not considered as wages. **ON MOTION BY MR. GINGRAS, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO RECEIVE.**

MISCELLANEOUS:**Correspondence from Ms. Lois Sasso:**

Ms. Lois Sasso is requesting to appeal her membership date from September 19, 2005 when she became a member of the Peabody Retirement System back to September 1, 1999. Mrs. Sasso is claiming to have worked more than 20 hours going back to 1999 but was paid by the School Department for 19 hours and received a separate payment from the North Shore Consortium for additional hours each week. Observing the basic tenets of transparency, Chairman Yagjian informed the Board his family and the Sasso family are longtime acquaintances and recused himself from the discussion and vote. The remaining Board members reviewed Mrs. Sasso's email requesting to appeal her membership date from 2005 to 1999. Mrs. Sasso became a full-time employee on September 19, 2005. Membership, defined by Peabody Retirement Board Supplemental Regulation of July 23, 1991 is: *To become a member in the Peabody Retirement System, a member must be employed in a permanent position with a normal work week of twenty (20) hours per week.* Therefore, Ms. Sasso's membership date cannot be changed to a date prior to employment. **ON MOTION BY MS. CAVALLON, 2ND BY MR. GINGRAS, IT WAS VOTED 4-YES AND 0- NO TO DENY MS. SASSO'S REQUEST AND TO HAVE THE PENSION ADMINISTRATOR PREPARE WRITTEN NOTIFICATION OF THE DENIAL AND ADVISE MS. SASSO OF HER APPEAL RIGHTS TO DALA OR CRAB.** Mr. Yagjian abstained from the vote.

MISCELLANEOUS:**Attorney Sacco Correspondence:**

Attorney Sacco, representing Peabody Retirement Board and others in the Vernava matter, response to Justice Cypher's order to file supplemental brief to six questions that she raises to help to determine if the matter is suitable for review under the declaratory judgement statute. **ON MOTION BY MS. CAVALLON, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO RECEIVE.**

MISCELLANEOUS:**Attorney Sacco Correspondence:**

On July 17, 2018 the Peabody Retirement Board voted to allocate \$1,000.00 in legal expenses on the Vernava matter. Attorney Sacco has advised that we have reached that threshold. He informs the Board that PERAC still must file their brief with the Court and then the matter may be scheduled for oral argument or that Justice Cypher may just issue a decision on the matter. Now the issue comes before the Board to decide if they want to allocate additional funds on the matter. **ON MOTION BY MR. DIFRANCO, 2ND BY MR. LOMASNEY, IT WAS VOTED UNANIMOUS TO TABLE THE MATTER UNTIL THE JANUARY 2019 MEETING.**

MISCELLANEOUS:**Ms. Amy Rice Pay Recalculation:**

Mrs. Amy Rice is the widow of Firefighter James Rice, a line of duty death, and was awarded Section 100 benefits in August of 2013. After a recent conversation between the Pension Administrator and PERAC Legal, it was discovered that we have unknowingly omitted longevity payments to Mrs. Rice. A complete pay audit was conducted where it was learned we have historically only applied the negotiated salary increases to base pay and have missed the increases in other benefits allowed under Section 100. The pay audit is submitted for the Board's review and approval with a recommendation to include the past due payments with the upcoming December 2018 pension payment. **ON MOTION BY MR. LOMASNEY, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO APPROVE.**

MISCELLANEOUS:**Supplemental Regulation on Creditable Service:**

ON MOTION BY MS. CAVALLON, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO APPROVE THE FOLLOWING SUPPLEMENTAL REGULATION AND FORWARD TO PERAC FOR THEIR REVIEW AND APPROVAL:

SUPPLEMENTAL CREDITABLE SERVICE REGULATION

Members of the Peabody Retirement System shall receive creditable service, in whole month increments, consistent with this regulation in the following manner:

- For a member in service who is employed in a full-time capacity, he/she will receive one (1) month of creditable service for each full month for which the employee receives regular compensation and remits the appropriate contributions to the Peabody Retirement System ("System"), with said service not to exceed one (1) year of creditable service in any calendar year.
- For a member who has rendered membership service in the System in both a full-time and part-time capacity, the member shall receive full credit for all full-time service and may purchase part-time service based on the full-time equivalency of a minimum of 20 hours per week and four (4) weeks being the equivalent of one (1) month of creditable service. Part-time employees who are employed in a part-time capacity throughout his/her career and are not members in the System do not accrue creditable service.
- In the case of School Department employees whose full-time employment requires them to work from on or about September 1st to on or about June 30th, including but not limited to cafeteria workers, clerical and secretarial staff, teacher's assistant and teaching professionals, such as therapists, said employees who work 42 weeks per year shall receive one month of creditable service for each full month the employee is receiving regular compensation, with ten (10) months being the equivalent of one (1) year of creditable service. Paraprofessionals working 38 weeks per year receive one month of creditable service for each full month the employee is receiving regular compensation, with nine (9) months being the equivalent of one (1) year of creditable service.
- The Board recognizes that certain School Department employees, including but not limited to custodians and secretaries, are required to work the entire calendar year, and in such a situation, said employee's creditable service will be calculated based on a twelve (12) month year.
- Creditable service for 9-month employees shall be based on a minimum of 760 hours being the equivalent of 1 year. Creditable service for 10-month employees shall be based on a minimum of 867 hours being the equivalent of 1 year. Creditable service for 12-month employees shall be based on minimum of 1,040 hours per year.
- Members of the System may only purchase and receive credit for past non-membership service rendered in a member unit of the System consistent with the provisions of M.G.L. c. 32, § 4(2)(c), or if the past service was rendered under the jurisdiction of another retirement system, such service may only be purchased pursuant to Section 3(5) if rendered in a temporary, provisional or substitute capacity, provided that the individual was excluded from membership in the other retirement system. All prior non-membership service shall be calculated with a minimum of 20 hours per week and four (4) weeks being the equivalent of one (1) month of creditable service.
- Past non-membership service may be purchased consistent with this supplemental regulation. In addition, for all service rendered on or after July 1, 2009, no creditable service will be granted unless the individual received at least \$5,000 in wages during the calendar year.

MISCELLANEOUS:

Actuarial Services Request for Proposal (RFP) Review:

Two interested parties responded to the RFP, Segal Company and Sherman Actuarial Services. The Board reviewed each proposal carefully and each member completed an evaluation on both the technical proposal and the fee proposal. After discussion on the best fit for Peabody, **ON MOTION BY MS. CAVALLON, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS ACCEPT THE PROPOSAL FROM SHERMAN ACTUARIAL SERVICES.**

NEW BUSINESS:

January 2019 Retirement Board Meeting:

The next regular meeting of the Peabody Retirement Board will be Tuesday, January 15, 2019 at 7:00 a.m. in the Lower Level Conference Room, Peabody City Hall.

ON MOTION BY MS. CAVALLON, 2ND BY MR. GINGRAS IT WAS VOTED UNANIMOUS TO ADJOURN THE MEETING AT 7:40 A.M.

ATTESTED TO BY:

Respectfully submitted:

Richard A. Yagjian, Chair

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