

## **MINUTES**

### **MEETING OF THE PEABODY RETIREMENT BOARD TUESDAY, DECEMBER 17, 2019**

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

**ON MOTION BY MR. DIFRANCO, 2ND BY MR. LOMASNEY, IT WAS VOTED UNANIMOUS TO ACCEPT THE MINUTES OF THE NOVEMBER 19, 2019, RETIREMENT BOARD MEETING.**

#### **ACCIDENTAL DISABILITY RETIREMENT:**

**ON MOTION BY MR. DIFRANCO, 2ND BY MR. LOMASNEY, IT WAS VOTED UNANIMOUS TO RECALL THE TABLED ACCIDENTAL DISABILITY RETIREMENT APPLICATION FOR MR. LAMBRESA.** The Board reviewed the Application for Accidental Disability Retirement, Treating Physician's Statement, Medical Records, Employer Statement and accompanying documentation for Mr. Gaetano Lambresa. All being in order, **ON MOTION BY MR. DIFRANCO, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO FORWARD TO PERAC REQUESTING THEY CONVENE A JOINT MEDICAL PANEL**

#### **SUPERANNUATION RETIREMENT:**

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

Anne Comeau	SPED Paraprofessional	57 years old	20 years	12/01/2019
Frederick Wojick	Police Officer	55 years old	26 years 2 months	01/04/2020
Wando Rowe	School Department	56 years old	22 years 7 months	03/28/2020

#### **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.**

Jose Loba	School / ROTC	Group 1	08/02/2019
Sarah Blanchette	Paraprofessional	Group 1	12/02/2019

#### **REFUNDS:**

Ms. Aubrey Apodaca is a former employee from the Library that took a refund on September 19, 2019. She received a retroactive pay raise that had retirement deductions taken in the amount of \$68.75. We must refund her the \$68.75 retroactive deductions.

Mr. Bruce Bowden is a retired police officer and received pay for court appearances occurring after his retirement. Retirement deductions in the amount of \$51.36 were taken from the pay and must be paid to Mr. Bowden.

Mr. James Dickinson is a retired police officer and received pay for court appearances occurring after his retirement. Retirement deductions in the amount of \$63.49 were taken from the pay and must be paid to Mr. Dickinson. **ON MOTION BY MR. LOMASNEY, 2ND BY MR. DIFRANCO, IT WAS VOTED UNANIMOUS TO APPROVE.**

#### **TRANSFERS:**

Ms. Morgan Yeo is a former employee from the Library that transferred to the Marblehead Retirement System. She received a retroactive pay raise that had retirement deductions taken in the amount of \$75.41. We must transfer the \$75.41 retroactive deductions to Marblehead Retirement System. **ON MOTION BY MR. GINGRAS, 2ND BY MR. DIFRANCO, IT WAS VOTED UNANIMOUS TO APPROVE.**

#### **WARRANTS:**

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

#112219	11/22/2019	Pension Payroll	\$1,730,843.28
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**ON MOTION BY MR. DiFRANCO, 2ND BY MR. LOMASNEY, IT WAS VOTED UNANIMOUS TO APPROVE THE FOLLOWING WARRANT:**

#121119      12/11/2019      IRS Withholdings – Aubrey Apodaca Refund      \$13.75

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

#121219      12/12/2019      Miscellaneous Bills      \$3,690.34 as follows:

\$ 55.00 - Aubrey Apodaca - Refund of Retro Raise  
 \$ 174.00 - Bank of America - BoardPac  
 \$ 236.98 - Bay State Envelope - Office Supplies  
 \$ 51.36 - Bruce Bowden - Refund  
 \$ 63.49 - James Dickinson - Refund  
 \$ 56.26 - James Freeman - Travel Reimbursement for PERAC Training  
 \$ 436.82 - Kingsbury Press - 1099R Forms and Envelopes for Tax Year 2019  
 \$ 75.41 - Marblehead Retirement System -Morgan Yeo Transfer  
 \$2,100.00 - U. S. Postmaster - Postage Machine  
 \$ 441.02 - W. B. Mason - Office Supplies

**BOARD & STAFF PAYROLL:**

**ON MOTION BY MR. DiFRANCO, 2ND BY MR. LOMASNEY, IT WAS VOTED UNANIMOUS TO APPROVE THE FOLLOWING BOARD AND STAFF PAYROLLS TOTALING \$14,071.06:**

11/20/2019 for \$7,595.58 and 12/04/2019 for \$6,475.48.

**CASH BOOKS:**

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

Pooled fund worksheet and PRIT General Allocation Account Market Value of \$159,280,596.52  
 Cash Receipts totaling \$1,747,725.44  
 Cash Disbursements totaling \$3,508,995.09  
 Adjusting Journal Entries totaling \$2,613,921.30  
 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 Bank Reconciliation Report - Eastern Bank October 2019  
 Eastern Bank Statements (Checking & Payroll) October 2019  
 Budget to Actual Expense through 31 October 2019  
 Cash Flow Forecast through 30 November 2019

**PERAC CORRESPONDENCE:**

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

PERAC Memo 25/2019. Pension Fraud Poster. The theme for 2020 is Blow the Whistle on Pension Fraud.

**PRIT/PRIM:**

**ON MOTION BY MR. LOMASNEY, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO RECEIVE THE FOLLOWING PRIT AND PRIM CORRESPONDENCE:**

PRIM Value Report - October 2019  
 PRIM Performance Update - October 2019  
 PRIM 3rd Quarter 2019 Update  
 PRIT Annual Disclosure

**MISCELLANEOUS:**

Attorney Sacco Correspondence. Attorney Sacco has accepted the CEO position at the Worcester Regional Retirement Board. He has provided an All Client Memo on the subject. His law practice remains intact and he has brought in an additional attorney to the practice. **ON MOTION BY MR. LOMASNEY, 2ND BY MR. DIFRANCO, IT WAS VOTED UNANIMOUS TO RECEIVE.**

**MISCELLANEOUS:**

Attorney Sacco Correspondence. Attorney Sacco has provided the Board with an All Client Memo on Supreme Judicial Court (SJC) decision in the Plymouth Retirement Board v. Contributory Retirement Appeal Board (CRAB) SJC-12711, and also provided a copy of the SJC decision for review. The Board will recall this case involves the Gomes, Grimes, and MacAloney cases and whether call firefighters and reserve or permanent-intermittent police officers received their reserve time at no cost (MGL 32 Section 4(2)(b) or had to purchase the service (MGL 32 Section 4(2)(c). PERAC determined the buyback cost on a salary of \$3,000 and DALA (in Grimes) raised the salary to \$5,000 based on the "\$5,000 Rule (Chapter 21 of the Acts of 2009) using the July 1, 2009 as the effective date of the change (MGL 32 Section 4(1)(o). PERAC Memos 22/2013 and 33/2013 required the purchase of reserve time, with most of our police and firefighters complying. In 2017 CRAB Decisions 14-127 and 15-5 reversed PERAC 22/2013 and 33/2013. As a result, in June 2017 Peabody Retirement Board refunded, with interest, all Peabody police officers and firefighters that purchased their reserve service and restored all reserve time to those police and fire that did not purchase their service. With this SJC decision it appears we may have to go back and look at our active police and firefighters to determine if any of them worked, as police or fire, during their reserve time where they received credit. If they did work, we may have to charge them for the service. If they did not work, then we take no further action and they will receive the credit. For those that were on a reserve list on or after July 1, 2009, it appears they must have earned at least \$5000 in order to receive (purchase) creditable service. Attorney Sacco recommends we take no action until PERAC has the opportunity to digest and issue guidance. **ON MOTION BY MR. LOMASNEY, 2ND BY MR. DIFRANCO, IT WAS VOTED UNANIMOUS TO RECEIVE.**

**MISCELLANEOUS:**

Mayor's Correspondence. Mr. Lomasney's appointed term on the Board expires on December 31, 2019. The Pension Administrator has notified Mayor Bettencourt an appointee is needed for the period January 1, 2020 through December 31, 2021. **ON MOTION BY MR. DIFRANCO, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO RECEIVE.**

**NEW BUSINESS:**

Indemnification Board Doctor Vacancy. The Board will recall following the retirement of Doctor Clopper in 2015, Lahey Clinic was temporarily providing the physicians review for our accidental disability reimbursement for out-of-pocket medical costs associated with the disability. For the past several years it has typically been reimbursement for prescription drugs and pain management. We are now starting to receive requests for high cost treatments and do not have a doctor to review and determine if the treatment/procedure is necessary or related to the disability. The Pension Administrator is working with the Human Resources Director in an effort to have the physician on the City Indemnification Board perform this function. The Pension Administrator will keep the Board advised of the progress. **ON MOTION BY MR. GINGRAS, 2ND BY MR. DIFRANCO IT WAS VOTED UNANIMOUS TO RECEIVE.**

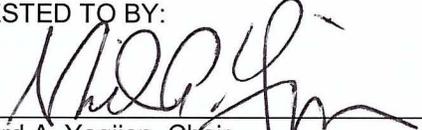
**NEW BUSINESS:**

Increase in COLA Base Update. The Pension Administrator presented the request to increase the COLA base to \$13,000 to the City Council Finance Committee on December 12. Also present at the meeting from the Retirement Board were Mr. DiFranco and Mr. Gingras. After a lengthy question/answer dialogue with the Retirement Board representatives (DiFranco, Gingras, and Freeman) and discussion among the committee members, they raised the Board's request from \$13,000 to \$15,000. At the following meeting of the entire City Council, the Finance Committee reported on their prior meeting and recommendation for the increase to \$15,000 and brought the matter to a vote. A unanimous vote (11-0) of the City Council approved an increase in the COLA base to \$15,000. **ON MOTION BY MR. GINGRAS, 2ND BY MR. DIFRANCO IT WAS VOTED UNANIMOUS TO RECEIVE.**

**NEW BUSINESS:**

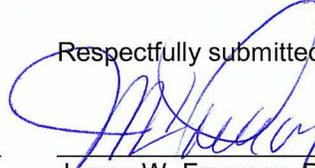
The next regular meeting of the Peabody Retirement Board will be Tuesday, January 14, 2020. The Board will convene at 7:00 a.m. in the Lower Level Conference Room of Peabody City Hall. **ON MOTION BY MR. LOMASNEY, 2ND BY MR. GINGRAS IT WAS VOTED UNANIMOUS TO ADJOURN THE MEETING AT 7:35 A.M.**

ATTESTED TO BY:

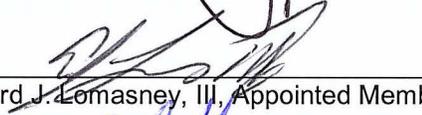


Richard A. Yagjian, Chair

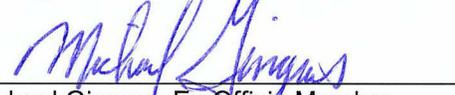
Respectfully submitted:



James W. Freeman, Pension Administrator



Edward J. Lomasney, III, Appointed Member



Michael Gingras, Ex-Officio Member



Joseph P. DiFranco, Elected Member