

MINUTES
MEETING OF THE PEABODY RETIREMENT
BOARD
TUESDAY, FEBRUARY 19, 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, and Mr. Michael Gingras. Mr. Lomasney was absent.

ON MOTION BY MR. DiFRANCO, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO ACCEPT THE MINUTES OF THE JANUARY 15, 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 following members and **ON MOTION BY MR.**

GINGRAS, 2ND BY MR. DiFRANCO, IT WAS VOTED UNANIMOUS TO APPROVE.

Dale Sampson	Librarian	60 years old	29 Years	04/05/2019
Geraldine Guyote	Asst. Library Director	66 years old	17 years 5 months	05/11/2019

NEW MEMBERS:

The following candidate for membership has 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.**

Anne Gesualdi	Paraprofessional	Group 1	01/17/2019
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REFUNDS:

Mr. Manuel M. Melo is a 2015 retiree who received a retroactive pay raise from the School Department with retirement deductions taken totaling \$12.81. The Retirement Board must reimburse Mr. Melo the \$12.81.

Mr. John N. Mendonca is a 2016 retiree who received a retroactive pay raise from the School Department with retirement deductions taken totaling \$43.48. The Retirement Board must reimburse Mr. Melo the \$43.48.

Mr. Glenn Trueira is a 2019 retiree from the Peabody Municipal Light Plant (PMLP). In his final pay, which was received after his retirement date, PMLP took erroneous retirement deductions from a vacation buy back totaling \$421.93. The excess contributions must be deducted from his annuity savings and he must be reimbursed \$421.93. Additionally, as part of his contract as the manager, he receives an annual deferred compensation perquisite that is funded to his VOYA account. PMLP erroneously took retirement deductions from those payments totaling \$1,664.41. Those deductions must be removed from his annuity savings and refunded to Mr. Trueira. His annual (pensionable) salary has been reduced by the amount of his deferred compensation every year back to 2012.

ON MOTION BY MR. GINGRAS, 2ND BY MR. DiFRANCO, IT WAS VOTED UNANIMOUS TO APPROVE THE REFUNDS TO MESSRS. MELO, MENDONCA, AND TRUEIRA.

ROLLOVERS:

Ms. Linda Cappabianca is a former Library employee with 5 years 4 months of creditable service. She is rolling over her annuity savings to Fidelity Management Trust totaling \$28,696.78.

Mr. Derek Belanger is a former Golf Course employee with 4 years 3 months of creditable service. He is rolling over his annuity savings to Kresta Investment Services totaling \$20,154.27.

ON MOTION BY MS. CAVALLON, 2ND BY MR. DiFRANCO, IT WAS VOTED UNANIMOUS TO APPROVE THE REQUESTED ROLLOVER FOR MS. CAPPABIANCA AND MR. BELANGER

WARRANTS:

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

#013019	01/30/2019	Pension Payroll	\$1,773,380.91
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ON MOTION BY MR. DiFRANCO, 2ND BY Ms. CAVALLON, IT WAS VOTED UNANIMOUS TO APPROVE THE FOLLOWING WARRANT:

#021419 02/14/2019 Miscellaneous Bills \$304,318.01 as follows:

- \$ 294.73 - 3(8)(c) - Amesbury Retirement System
- \$ 377.00 - Bank of America - BoardPaq
- \$ 13,521.10 - 3(8)(c) - Barnstable County Retirement System
- \$ 19,100.09 - 3(8)(c) - Belmont Retirement System
- \$ 28,696.78 - Fidelity Management - Linda Cappabianca Rollover
- \$ 421.93 - Glenn Truiera - Erroneous Retirement Deductions
- \$ 1,664.41 - Glenn Truiera - Erroneous Retirement Deductions
- \$ 328.72 - James Freeman - Reimbursement Office Furniture
- \$ 110.49 - James Freeman - Reimbursement Office Supplies
- \$ 43.48 - John Mendonca - Erroneous Retirement Deductions
- \$ 20,154.27 - Kestra Investments - Derek Belanger Rollover
- \$ 25.00 - Law Office of Michael Sacco
- \$ 23,119.24 - 3(8)(c) - Lexington Retirement System
- \$ 14,150.06 - 3(8)(c) - Lynn Retirement System
- \$ 600.00 - 2019 MACRS Dues
- \$144,165.76 - 3(8)(c) - Massachusetts Teachers Retirement System
- \$ 1,265.26 - 3(8)(c) - Malden Retirement System
- \$ 12.81 - Manuel M. Melo - Erroneous Retirement Deductions
- \$ 25,445.36 - 3(8)(c) - Reading Retirement System
- \$ 1,184.06 - 3(8)(c) - Saugus Retirement System
- \$ 9,092.67 - 3(8)(c) - Swampscott Retirement System
- \$ 68.71 - W.B. Mason - Office Supplies
- \$ 476.08 - 3(8)(c) - Weymouth 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 \$19,276.89:

01/16/2019 for \$6,424.75, 01/30/2019 for \$6,425.94, and 02/13/2019 for \$6,426.20 totaling \$19,276.89.

CASH BOOKS:

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

- Pooled fund worksheet and PRIT General Allocation Account Market Value of \$144,046,425.86
- Cash Receipts Report for the period 1-31 December totaling \$1,786,186.58
- Cash Disbursements Report for the period 1-31 December \$1,715,824.34
- Adjusting Journal Entries for the period 1-31 December totaling \$4,830,419.27
- Trial Balance Report for the period ending 31 December
- General Ledger for the period ending 31 December
- Budget Report for the period ending 31 December
- Treasurer Bank Reconciliation Report - Eastern Bank December 2018
- Eastern Bank Statements (Checking & Payroll) December 2018
- Budget to Actual Expense through 31 December
- Cash Flow Forecast through January 2019

PRIT/PRIM:

ON MOTION BY MR. DiFRANCO, 2ND BY Ms. CAVALLON, IT WAS VOTED UNANIMOUS TO RECEIVE THE FOLLOWING PRIT CORRESPONDENCE:

December 2018 PRIT Summary of Account Activity and Investment Update totaling \$144,046,425.86.

PERAC CORRESPONDENCE:

PERAC Memo #6/2019 Actuarial Data. PERAC requests actuarial data for active members, retirees/survivors and disability retirees for the period ending December 31, 2018 not later than March 31, 2019. NOTE: The requested information was uploaded to PERAC on January 19, 2019.

PERAC Memo #7/2019 2019 Buyback and Make-up Repayment Worksheets.

PERAC Memo #8/2019 2019 Interest Rate 0.1%.

PERAC Memo #9/2019 Accounting Changes. This memo adds four new ledger accounts. Only ledger account 5120 applies to Peabody at this time and the change has been made to PTG.

PERAC Memo #10/2019 Administrative Reminders. This memo covers a wide variety of fiscal and administrative duties and responsibilities of Board members and staff.

PERAC Memo #11/2019 Workers' Compensation Data Match in PROSPER. This memo advises Retirement Boards of a change in reporting via PROSPER.

Creditable Service Supplemental Regulation. PERAC has approved the Supplemental Regulation on Creditable Service approved by the Board at the December 2018 meeting with a minor change to the last sentence in regards to the "over \$5,000 rule". It now reads "*In addition, for all service rendered on or after July 1, 2009, no creditable service will be granted unless the individual was employed in a position with an annual salary of at least \$5,000.*"

ON MOTION BY Ms. CAVALLON, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO RECEIVE.

MISCELLANEOUS:

Adjusted 2019 Budget: PERAC Memo #9/2019 added a new ledger account (5120) Benefits, that includes Medicare match and insurances for board and staff. This change resulted an adjustment in the 2019 budget increasing staff payroll by \$8,382.00 and reducing administrative expenses by \$8,382.00 for the cost of health insurance and employer contribution to Medicare. **ON MOTION BY Ms. CAVALLON, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO RECEIVE AND APPROVE THE AMENDED 2019 BUDGET.**

MISCELLANEOUS:

Sharon Druhan CRAB Appeal. Following the Board's approval of Ms. Sharon Druhan's ordinary disability retirement, she has submitted a request to DALA withdrawing her appeal. **ON MOTION BY Ms. CAVALLON, 2ND BY MR. DiFRANCO, IT WAS VOTED UNANIMOUS TO RECEIVE.**

MISCELLANEOUS:

Priscilla Bakula Over-Payment Matter. In December 2018, the pension administrator notified Mrs. Bakula of the accumulated interest and new amount owed at the close of the calendar year on an over-payment made in April 2016. Her attorney, Mr. Alfred Gray, Jr., has forwarded a letter requesting the Board waive the over-payment. Unfortunately, there is only one known provision in MGL Chapter 32, being Section 20(5)(C)(3) that allows for a waiver of an owed debt and Mrs. Bakula's situation does not meet the parameters. **ON MOTION BY MR. DiFRANCO, 2ND BY Ms. CAVALLON, IT WAS VOTED UNANIMOUS TO FORWARD THE MATTER TO ATTORNEY SACCO TO INFORM ATTORNEY GRAY, THERE IS NO PROVISION IN THE LAW TO ALLOW FOR THE REQUESTED WAIVER.**

MISCELLANEOUS:

Attorney Sacco Correspondence:

- Attorney Sacco has notified DALA that he is representing the Peabody Retirement Board in the Lois Sasso appeal.

ON MOTION BY MR. DiFRANCO, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO RECEIVE.

- Email from Attorney Sacco advising that PERAC has responded to Justice Cypher's order in the Vernava matter. The Board will recall from the November 2018 meeting the Judge ordered the parties involved in the litigation to file a supplemental brief to six additional questions in order to help her determine if the matter is suitable for review under the declaratory judgment statute.

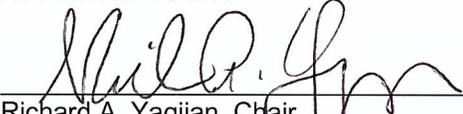
ON MOTION BY MR. DiFRANCO, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO RECEIVE.

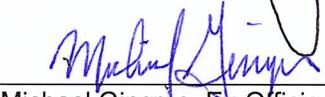
- Email from Attorney Sacco on the Vernava matter. He anticipates an additional 10 to 15 hours of work under the assumption the matter will stay under the jurisdiction of the Supreme Judicial Court, which all parties have agreed. Distributed among the 5 Boards involved, the estimated cost to Peabody is \$750.00. Does the Board wish to proceed in the litigation?

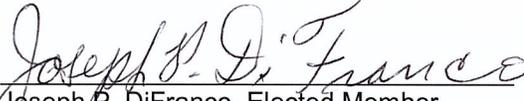
ON MOTION BY MR. DiFRANCO, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS NOT TO OBLIGATE ANY ADDITIONAL FUNDING ON THE VERNAVA LITIGATION

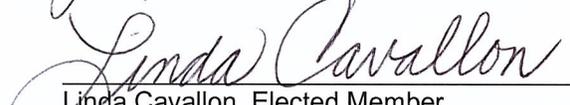
ON MOTION BY MS. CAVALLON, 2ND BY MR. GINGRAS IT WAS VOTED UNANIMOUS TO ADJOURN THE MEETING AT 7:35 A.M.

ATTESTED TO BY:

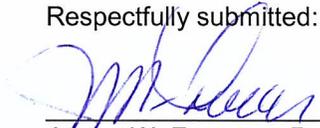

Richard A. Yagjian, Chair


Michael Gingras, Ex-Officio Member


Joseph P. DiFranco, Elected Member


Linda Cavallon, Elected Member

Respectfully submitted:


James W. Freeman, Pension Administrator