

## **MINUTES**

### **MEETING OF THE PEABODY RETIREMENT BOARD** **WEDNESDAY, OCTOBER 23, 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 MR. LOMASNEY, 2ND BY MR. DIFRANCO, IT WAS VOTED UNANIMOUS TO ACCEPT THE MINUTES OF THE SEPTEMBER 25, 2019, RETIREMENT BOARD MEETING.**

#### **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 MS. CAVALLON, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO APPROVE.**

John Spofford	Firefighter	57 years old	32 years 6 months	11/16/2019
Timothy Spanos	City Clerk	62 years old	41 years 10 months	01/31/2020

#### **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 MS. CAVALLON, 2ND BY MR. LOMASNEY, IT WAS VOTED UNANIMOUS TO APPROVE.**

Monique Jayroe	Library Assistant	Group 1	01/06/2019
Yahaira Cosme	Children's Librarian	Group 1	08/12/2019
Gabriela Toth	Senior Librarian	Group 1	09/23/2019
Kristen Corning	Paraprofessional	Group 1	09/23/2019
Taryn Decker	Paraprofessional	Group 1	09/23/2019
Camille Louis	Paraprofessional	Group 1	09/24/2019
Anastasia Jewitt	Paraprofessional	Group 1	10/07/2019
Marina Ruggiero	Paraprofessional	Group 1	10/07/2019
Melvin Martinez	School IT Support	Group 1	10/17/2019

#### **BUYBACK/MAKEUP:**

Ms. Nancy Howland is a School Nurse and is requesting to makeup time that she worked 20 hours or more per week between September 4, 2010 and September 13, 2014. This will give her 2 years and 3 months of creditable service totaling \$8,956.90. **ON MOTION BY MS. CAVALLON, 2ND BY MR. DIFRANCO, IT WAS VOTED UNANIMOUS TO APPROVE.**

#### **TRANSFERS:**

Ms. Jessica Cann from the School Department is transferring to the Swampscott Retirement System with 2 years 11 months of creditable service totaling \$5,599.21. **ON MOTION BY MR. LOMASNEY, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO APPROVE.**

Mr. Richard McQuesten from the School Department is transferring to the Chelsea Retirement System with 1 year 10 months of creditable service totaling \$8,118.60. **ON MOTION BY MR. DIFRANCO, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO APPROVE.**

#### **ACCEPT LIABILITY:**

Ms. Lisa Kent is a former member of the Peabody Retirement System who has transferred to the Beverly Retirement System. Between August 1998 and August 2002, she worked for the Peabody Fire Department and has 12 months of creditable service where she worked more than 20 hours per week. Ms. Kent is requesting to purchase the 12 months of service through the Beverly Retirement System. **ON MOTION BY MS. CAVALLON, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO ACCEPT THE LIABILITY OF MS. KENT'S 12 MONTHS OF CREDITABLE SERVICE.**

**WARRANTS:**

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

#100319      10/03/2019      Board Member DiFranco's travel reimbursement to MACRS Conference totaling \$657.41

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

#101019      10/10/2019      Miscellaneous Bills      \$14,154.52 as follows:  
                  \$ 174.00 Bank of America - BoardPaq  
                  \$8,118.60 Chelsea Retirement System - Richard McQuesten Transfer  
                  \$ 50.00 Law Offices of Michael Sacco - Legal Services  
                  \$5,599.21 Swampscott Retirement System - Jessica Cann Transfer  
                  \$ 212.71 W.B. Mason - Office Supplies

**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 \$12,892.44:**

9/25/2019 for \$6,416.96 and 10/09/2019 for \$6,475.48.

**CASH BOOKS:**

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

Pooled fund worksheet and PRIT General Allocation Account Market Value of \$154,940,910.15  
 Cash Receipts totaling \$1,602,630.57  
 Cash Disbursements totaling \$3,573,718.02  
 Adjusting Journal Entries totaling \$1,675,824.86  
 Trial Balance Report for the period ending 31 August  
 General Ledger for the period ending 31 August  
 Budget Report for the period ending 31 August  
 Treasurer Bank Reconciliation Report - Eastern Bank August 2019  
 Eastern Bank Statements (Checking & Payroll) August 2019  
 Budget to Actual Expense through 31 August 2019  
 Cash Flow Forecast through 30 September 2019

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

Pooled fund worksheet and PRIT General Allocation Account Market Value of \$157,095,714.17  
 Cash Receipts totaling \$1,856,575.99  
 Cash Disbursements totaling \$3,605,112.05  
 Adjusting Journal Entries totaling \$2,384,411.37  
 Trial Balance Report for the period ending 30 September  
 General Ledger for the period ending 30 September  
 Budget Report for the period ending 30 September  
 Treasurer Bank Reconciliation Report - Eastern Bank September 2019  
 Eastern Bank Statements (Checking & Payroll) September 2019  
 Budget to Actual Expense through 30 September 2019  
 Cash Flow Forecast through 31 October 2019

**PERAC CORRESPONDENCE:**

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

PERAC Memo 22/2019 – Tobacco Company List

PERAC Memo 23/2019 – Mandatory Retirement Board Member Training – 4th Quarter 2019

PERAC Memo 24/2019 – 2019 Appropriation Data Due. PERAC is requesting information to allow them to furnish retirement board with amounts to be appropriated in FY21. The Pension Administrator has prepared and attached a Draft Appropriation Data Questionnaire.

**PRIT/PRIM:**

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

August 2019 PRIT Summary of Account Activity and Investment Update totaling \$154,940,910.15  
PRIM Performance Update – August 2019

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

September 2019 PRIT Summary of Account Activity and Investment Update totaling \$157,095,714.17  
PRIM Performance Update – September 2019

**MISCELLANEOUS:**

Attorney Sacco Correspondence: Attorney Sacco provided the Board with a recent Suffolk Superior Court Decision on O'Leary v. CRAB, Lexington Retirement Board, and PERAC. The case stems from the Lexington Retirement Board denying O'Leary (police officer) the sell back of unused vacation time, on an annual basis, as compensation for retirement benefit. O'Leary appealed the decision to DALA, then CRAB, both of which affirmed the Board's decision. O'Leary then appealed to the Superior Court. The Superior Court Decision here affirms the decisions of the Lexington Retirement Board, CRAB, and DALA. The buyback of vacation time (and sick time) is not regular compensation. **ON MOTION BY Ms. CAVALLON, 2ND BY MR. DiFRANCO, IT WAS VOTED UNANIMOUS TO RECEIVE.**

**MISCELLANEOUS:**

Mrs. Priscilla Bakula Over Payment. The Board will recall Mrs. Bakula has been in an overpaid status following her husband's passing in March 2016. The initial over payment was \$2,766.17. Attached are copies of correspondence on the matter from Attorney Sacco, Attorney Gray, and the Pension Administrator, the most recent being Attorney Sacco's final demand for payment in February 2019 where he informs Attorney Gray if the debt is not paid before 31 March 2019, the Board may seek redress in small claims court. Mrs. Bakula still has not paid the outstanding debt and interest, which has grown to \$2,956.20 through October 2019. Also attached is an email from Attorney Sacco where he does apprise the Board if Mrs. Bakula does not pay the debt, on advice of counsel, it would not be cost effective to pursue the claim. Attorney Sacco will be more than happy to pursue the matter if the Board wishes, but his cost/benefit analysis is unlikely to result in a financial gain to the Retirement System. The Board reviewed Bakula overpayment correspondence and Attorney Sacco's opinion on the matter. Based on the advice of attorney Sacco in that it would not be cost effective to pursue the claim, **ON MOTION BY Ms. CAVALLON, 2ND BY MR. GINGRAS, IT WAS VOTED BY MAJORITY VOTE (4 YES AND 1 NO) TO ACCEPT ATTORNEY SACCO'S RECOMMENDATION ON PURSUING THE MATTER IN SMALL CLAIMS COURT.**

**MISCELLANEOUS:**

**Proposed 2020 Budget: ON MOTION BY Ms. CAVALLON, 2ND BY MR. DiFRANCO, IT WAS VOTED UNANIMOUS TO RECEIVE AND APPROVE THE 2020 BUDGET AS FOLLOWS:**

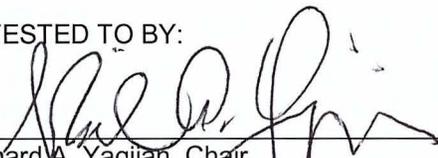
BOARD STIPEND	\$21,000.00
BOARD MEDICARE	\$304.50
STAFF PAYROLL	\$152,795.00
CITY TREASURER STIPEND	\$1,500.00
LONGEVITY	\$1,100.00
STAFF MEDICARE	\$2,254.00
STAFF HEALTH INSURANCE	\$9,000.00
MANAGEMENT FEES	\$750,000.00
LEGAL EXPENSES	\$25,000.00

MEDICAL EXPENSES	\$1,000.00
PTG CONTRACT	\$34,200.00
BCA CONTRACT	\$500.00
BOARDPAQ CONTRACT	\$2,200.00
ADOBE SUBSCRIPTION	\$250.00
ACTUARIAL SERVICES	\$12,500.00
EDUCATION & TRAINING	\$1,600.00
ADMINISTRATIVE EXPENSES	\$7,500.00
POSTAGE	\$4,600.00
FURNITURE & EQUIPMENT	\$1,000.00
TRAVEL EXPENSES	\$2,500.00
<b>TOTAL</b>	<b>\$1,030,803.50</b>

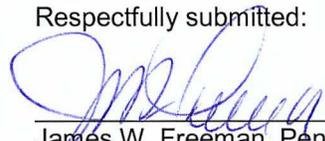
**NEW BUSINESS:**

The next regular meeting of the Peabody Retirement Board will be Tuesday, November 19, 2019. The Board will convene at 7:00 a.m. in the Lower Level Conference Room of Peabody City Hall. **ON MOTION BY MR. DIFRANCO, 2ND BY MS. CAVALLON IT WAS VOTED UNANIMOUS TO ADJOURN THE MEETING AT 7:35 A.M.**

ATTESTED TO BY:

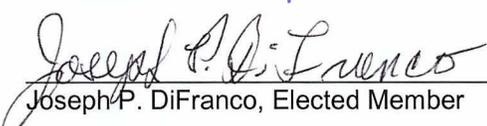

  
 Richard A. Yagjian, Chair

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