

MINUTES
MEETING OF THE PEABODY RETIREMENT BOARD
WEDNESDAY, FEBRUARY 26, 2020

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

ON MOTION BY MS. CAVALLON, 2ND BY MR. LOMASNEY, IT WAS VOTED UNANIMOUS TO ACCEPT THE MINUTES OF THE JANUARY 14, 2020 , RETIREMENT BOARD MEETING.

TERMINATION OF RETIREMENT ALLOWANCE:

PERAC has directed that Mr. Adam Skelton's disability retirement allowance be suspended for failure to provide required medical documentation as required by MGL Chapter 32, Section 8. PERAC sent notifications on 30 September 2019, 6 November 2019, and again on 11 December 2019. On 3 February 2020, PERAC notified the Peabody Retirement Board to suspend the retirement allowance. Mr. Skelton was notified of the suspension and of his right to be heard by the Board on 26 February. Subsequent to the suspension action, PERAC notified the Board on February 11, 2020 that Mr. Skelton is now complying with the evaluation process and directed the reinstatement of his retirement allowance. **ON MOTION BY MR. LOMASNEY, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO RECEIVE.**

SUPERANNUATION RETIREMENT:

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

Lois Sasso	School SPED Clerk	64 years old	15 years 3 months	02/22/2020
Paul Couris	Lieutenant, Fire Dept.	64 years old	32 years	02/29/2020
Philip Rohn	Supt. of Elec. Dist. PMLP	62 years old	12 years 4 months	03/21/2020
Theresa Palmisano	Police Meter Clerk	70 years old	28 years 6 months	04/17/2020
Dana Drolet	School Maintenance	64 years old	31 years 10 months	04/25/2020

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

Laura Gordon	School Transportation	Group 1	01/02/2020
Anthony Martocchio	COA Dispatcher	Group 1	01/06/2020
Diane Full	City Treasurer	Group 1	01/06/2020
Carleigh Petersen	Paraprofessional	Group 1	01/15/2020
Diane Bento	Bus Attendant, School	Group 1	01/27/2020

OPTION D SURVIVOR BENEFIT:

Mr. Idleberto Maria, a member in service passed away on February 3, 2020. His surviving spouse, Mrs. Conceicao Maria, has elected to receive his member-survivor benefit under MGL 32, Section 12(d)(2). **ON MOTION BY MR. LOMASNEY, 2ND BY MR. GINGRAS, IT WAS VOTED UNANIMOUS TO APPROVE.**

OPTION B REFUND:

Ms. Rose Kokoras, a retired employee from the Water Billing Department passed away on December 27, 2019. At retirement, she elected Option B naming her son Nicholas Kokoras as her beneficiary. Mr. Kokoras is entitled to the remaining annuity balance of \$7,194.85. We will refund \$5,755.88 to Mr. Kokoras and forward \$1,438.97 to the Internal Revenue Service. **ON MOTION BY MR. GINGRAS, 2ND BY MR. LOMASNEY, IT WAS VOTED UNANIMOUS TO APPROVE.**

WARRANTS:

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

#013120	01/31/2020	Pension Payroll	\$1,742,843.90
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ON MOTION BY MR. LOMASNEY, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO APPROVE THE FOLLOWING WARRANT:

#022020	02/20/2020	Miscellaneous Bills	\$154,329.64 as follows:
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\$ 174.00	- Bank of America - BoardPaq
\$ 695.00	- Law Office of Michael Sacco - Legal Services
\$ 600.00	- MACRS 2020 Dues
\$34,200.00	- Pension Technology Group - Software License
\$14,150.06	- 3(8)(C) Lynn Retirement System
\$23,144.13	- 3(8)(C) Marblehead Retirement System
\$55,921.09	- 3(8)(C) Middlesex County Retirement System
\$25,445.36	- 3(8)(C) Reading Retirement System

BOARD & STAFF PAYROLL:

ON MOTION BY MR. LOMASNEY, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO APPROVE THE FOLLOWING BOARD AND STAFF PAYROLLS TOTALING \$20,446.49:

01/15/2020 for \$6,767.35, 01/29/2020 for \$6,839.57, and 02/12/2020 for \$6,839.57

CASH BOOKS:

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

Pooled fund worksheet and PRIT General Allocation Account Market Value of \$164,151,396.49
 Cash Receipts totaling \$1,754,591.08
 Cash Disbursements totaling \$3,478,074.12
 Adjusting Journal Entries totaling \$3,584,972.56
 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 31 December 2019
 Eastern Bank Statements (Checking & Payroll) 31 December 2019
 Budget to Actual Expense through 31 December 2019
 Cash Flow Forecast through 31 January 2020

PERAC CORRESPONDENCE:

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

PERAC Memo 03-2020 - Mandatory Retirement Board Training - 1st Quarter 2020

PERAC Memo 04/2020 - Investment Consultant RFP's.

NOTE: *Not applicable to Peabody being fully invested with PRIM.*

PERAC Memo 05-2020 - 2020 Limits under Chapter 46 of the Acts of 2002.

PERAC Memo 06-2020 - 2020 Limits under Section 23 of Chapter 131 of the Acts of 2010.

PERAC Memo 07-2020 - COLA Notice. Sets the limit of COLA increase at 1.6% but allows Retirement Boards to increase COLA up to 3% with proper notice to the legislative body at a duly called meeting.

PERAC Memo 08-2020 - Actuarial Data to at PERAC by March 31, 2020.

NOTE: *Pension Administrator uploaded to PERAC on 2/3/2020.*

PERAC Memo 09-2020 - Buyback and Make-up Repayment Worksheets.

PERAC Memo 10-2020 - 2020 Interest Rate is set at 0.1%.

PERAC Memo 11-2020 - Payment Required for Service Credited under G.L. Chapter 32, Section 4(2)(b).

NOTE: This is the PERAC notification that the SJC has issued its decision regarding police and fire reserve time. Short read is those who were credited with reserve time prior to 2009 and were not compensated for any reserve service get to keep the service. If they were compensated for any reserve time prior to 2009, they must pay the retirement contribution on the service including the prevailing buyback interest rate in effect at the time of service. For the year 2009, if uncompensated, they get credit through June 30, 2009 and nothing after that date. On or after 1 July 2009, the Under \$5,000.00 rule applies and a reserve firefighter or police officer must have earned at least \$5,000 for the service and if not, there is no creditable service to purchase. We must now go back, again, to all active and retired police officers and firefighters that we refunded in 2017 for the then erroneous 2014 service purchase, to determine who will lose creditable service and who must again purchase their service.

PERAC Memo 12-2020 - IRS Determination Letters.

PERAC advises based IRS Revenue Procedure 2016-37, that IRS Determination Letters issued in 2014 with an expiration date of 1/31/2019 no longer have an expiration date and are considered current Determination Letters.

PERAC Pension News, Issue 54, February 2020

PRIT/PRIM:

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

PRIM Value Report - December 2019

PRIM Performance Update - December 2019

MISCELLANEOUS:

Pension Administrator's Recommended Budget Adjustment. The Board approved the 2020 Budget at the October 2019 meeting. After the close of the year, given the increased value of the assets held by PRIM in 2019, the management fees were \$49,683.60 higher than budgeted. It is anticipated the 2020 management fees will be higher than was estimated back in October, therefore, it is recommended the 2020 budget, account #5303 (management fees) be increased by \$50,000.00 from \$750,000.00 to \$800,000.00. The Pension Administrator also recommends an increase in account #5119 (staff payroll) in the amount of \$1,462.50 in the event emergency office coverage is needed. An adjusted budget recommendation for 2020 is attached for the Board's review, comment, recommendation, and/or approval. Also attached a copy of the previously approved 2020 budget.

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

MISCELLANEOUS:

Attorney Sacco's Correspondence. Attorney Sacco has advised the Board of the requirement to periodically review executive session minutes to determine what can now be publicly released. The Board reviewed the Executive Session Notes Binder, which is currently empty, therefore, there are no executive session minutes to be released. **ON MOTION BY MR. GINGRAS, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO RECEIVE.**

Attorney Sacco has provided the Board with an opinion regarding a PMLP Commissioner (elected official) seeking to purchase creditable service. The pension administrator requested the opinion in this complex matter based on several factors: dual membership (Peabody and State); under \$5000 rule; elected official \$5,000 rule, he took a refund while under the once-a-member always-a-member, and he is seeking to purchase creditable service and apply for membership which cannot occur until he is again reelected. With this legal opinion provided, the pension administrator will prepare correspondence to the Commissioner informing he would be eligible to seek membership in the

Peabody Retirement System if he is reelected at the end of his current term and must do so within 90 days of the reelection, and at that point would be eligible to request to purchase his prior creditable service. **ON MOTION BY MR. GINGRAS, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO RECEIVE.**

Attorney Sacco has provided the Board with a copy of the SJC decision in the Gomes matter and well as an opinion on PERAC Memo 11-2020 on the matter. Attorney Sacco is in agreement with PERAC Memo 11/2020, but points out several questions remain unanswered. Attorney Sacco recommends that Boards take no action at this time allowing PERAC the opportunity to provide a supplemental memo on the unanswered issues and if they do not, he will provide the Board with additional guidance. Attorney Sacco does recommend providing a copy of the Gomes (SJC) decision to those affected. **ON MOTION BY MR. GINGRAS, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO RECEIVE.**

MISCELLANEOUS:

Ms. Lois Sasso, a member of the School Department, receives an annual stipend in the amount of \$2,500.00 for coordinating the SPED Summer Program. The School Payroll Department determined it was a flat pay and not retirement eligible but did not seek a determination from or consult the Retirement Board. The outgoing SPED Director has provided the Retirement Board with answers to pertinent questions posed by the pension administrator, from the guidance of PERAC Memo 33/2011, to assist in determining if the stipend falls within the parameters of pensionable compensation. The Board carefully reviewed the supporting documentation provided by the current and former Special Education Directors, the additional duties and responsibilities Ms. Sasso performed each summer, as well as the provisions of PERAC Memo 33/2011 and found the stipend does fall within the parameters of pensionable compensation. **ON MOTION BY MR. GINGRAS, 2ND BY MS. CAVALLON, IT WAS VOTED UNANIMOUS TO APPROVE.**

NEW BUSINESS:

The next regular meeting of the Peabody Retirement Board will be Wednesday, March 18, 2020. 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. LOMASNEY IT WAS VOTED UNANIMOUS TO ADJOURN THE MEETING AT 7:40 A.M.**

ATTESTED TO BY:

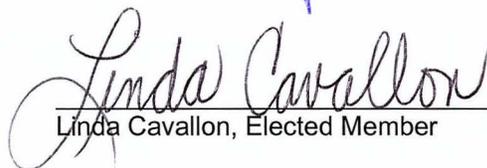
Respectfully submitted:


Richard A. Yagjian, Chair


James W. Freeman, Pension Administrator


Edward J. Lomasney, III, Appointed Member


Michael Gingras, Ex-Officio Member


Linda Cavallon, Elected Member