

SALEM RETIREMENT BOARD
OPEN SESSION MEETING MINUTES
MAY 29, 2024
12:00 P.M.

In attendance at this regular meeting of the Salem Retirement Board (“the Board”), via Teams webinar, were Anna E. Freedman (Chair), Robert W. Callahan, Sarah M. Hayes, Lisa J.B. Peterson, and Matt Veno. Also in attendance were Lisa VanDermark of Segal Actuarial Consulting, Deputy Director Jamie Godjikian, and Executive Director Paul Findlen.

Remote Participation Announcement

Ms. Freedman announced that, “pursuant to Governor Baker’s March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §20, and the passage of Section 4 of Chapter 107 of the Acts of 2022 on July 16, which includes an extension, until March 31, 2025, as amended by the passage of Chapter 2 of the Acts of 2023, of the remote meeting provisions of his March 12, 2020, Executive Order Suspending Certain Provisions of the Open Meeting Law, this meeting of the Salem Contributory Retirement Board is being conducted via remote participation. No in-person attendance of members of the public will be permitted, but every effort will be made to ensure that the public can adequately access the proceedings as provided for in the Order. Persons who would like to listen or view this meeting while in progress may do so by visiting <https://microsoft.com/microsoftteams>, entering meeting ID # ‘228 946 182 250 ’ as directed on the webpage, and clicking ‘Join’. Follow the on-screen instructions to join the meeting. You can also dial a toll-free phone number at 1-872-212-4377 to join the meeting. When prompted, enter Phone Conference ID # ‘312 318 495#’ and then follow the instructions to join the meeting. All votes taken by this body shall be by roll call vote. To offer public comment, participants may click the ‘Raise Hand’ button or, if on the phone, may press *5 to raise their hand to speak.”

I. Actuarial Valuation

Segal Actuarial Consultants Lisa VanDermark presented the preliminary valuation results for the Salem Contributory Retirement Board, as of January 1, 2024. The Board discussed the assumption recommendations presented before the Board by Ms. VanDermark. Ms. VanDermark explained the methodology used to arrive at the valuation results and noted that the experience in the years since the last valuation had been generally very positive, despite the investment losses experienced in 2022. Ms. VanDermark discussed the growth experienced by the SCRIB’s investment portfolio in 2023, as well as the losses experienced in 2022, and the smoothing technique that is used to stabilize the Board’s funded ratio from year to year by recognizing significant investment overperformance or underperformance over a duration that is longer than the valuation period itself. Ms. VanDermark reported that the plan’s funded percentage based on the actuarial value of assets, as of January 1, 2024, was 73.51% and that the plan’s funded percentage based on the market value of assets, as of January 1, 2024, was 70.94%. Ms. VanDermark explained that the actuarial value of assets used to determine the future funding needs of the retirement plan does not reflect an unrecognized investment loss of approximately \$9.9 million. Ms. VanDermark discussed the recommendation made by Marcum LLP, formerly Powers & Sullivan, to reflect the City of Salem’s 2015 excess contribution of \$167,000, either by demonstrating the extent to which it reduces the City of Salem’s actuarial liability or in the form

of a credit on the City of Salem's actuarial liability assessment. Ms. VanDermark presented a funding schedule to the Board and compared it to the Board's most recent funding schedule. Ms. VanDermark indicated that the funding schedule would need to be amended and that more time may be required to carry out Marcum's recommendation. The Board voted by roll call: Ms. Hayes, yes, Ms. Peterson, yes, Mr. Callahan, yes, Mr. Veno, yes and Ms. Freedman, yes, to maintain the investment return assumption of 6.9%, as well as the annual percent increase of 5.55%, and to increase the Administrative Expense assumption to \$575,000.

II. Regular Matters of Business

Meeting Minutes

The minutes of the previous Board meeting, held on April 24, 2024, were reviewed. On a motion made by Mr. Callahan and seconded by Mr. Veno, the Board voted by roll call: Ms. Freedman, yes, Mr. Callahan, yes, Ms. Hayes, yes, Ms. Peterson, yes, Mr. Veno, yes, to approve the April regular meeting minutes as submitted.

May Warrants

On a motion made by Mr. Callahan and seconded by Ms. Hayes, the Board voted by roll call: Ms. Hayes, yes, Ms. Peterson, yes, Mr. Veno, yes, Mr. Callahan, yes, Ms. Freedman, yes, to approve the May warrants as submitted.

Refund Transfer Report

Refunds included in the May warrant were reviewed and acknowledged by the Board.

Recent Enrollments

The recent new enrollments were reviewed and acknowledged by the Board.

Member Deaths

All recent deaths were reviewed and acknowledged by the Board.

Service Purchases

The Board reviewed an application to purchase refunded service accrued while a member of the Gloucester Retirement Board, pursuant to M.G.L. c. 32 § 3(8)(b), submitted on behalf of Jennifer Gariepy, as well as an application to purchase prior membership service in which deductions were omitted in error, submitted on behalf of Janet LeBlanc. On a motion made by Ms. Hayes and seconded by Mr. Veno, the Board voted by roll call: Ms. Hayes, yes, Ms. Peterson, yes, Mr. Veno, yes, Mr. Callahan, yes, Ms. Freedman, yes to approve the applications as submitted.

III. Treasurer's Report

Mr. Findlen presented the April cash reconciliation to the Board. On motion made by Ms. Hayes seconded by Ms. Peterson the Board voted by roll call: Ms. Hayes, yes, Ms. Peterson, yes, Mr. Veno, yes, Mr. Callahan, yes, Ms. Freedman, yes, to acknowledge the Treasurer's Report.

IV. Executive Director's Report

Mr. Findlen presented the Board with a report on all cash receipts for the month of April as well as a trial balance of the year's accounting through the end of April. Mr. Findlen also presented the Board with a monthly expenditure report for the month of April for the Board's review. Mr.

Findlen reported that PRIT Core Fund experienced a loss of approximately 1.81% in the month of April, lowering the fund's return to 1.78% growth for the calendar year. On a motion made by Mr. Veno and seconded by Mr. Callahan, the Board voted by roll call: Ms. Hayes, yes, Ms. Peterson, yes, Mr. Veno, yes, Mr. Callahan, yes, Ms. Freedman, yes, to acknowledge the Executive Director's Report.

V. PERAC Memos

There were no new PERAC memos that required the Board's attention.

VI. FY2025 COLA Vote

The Board discussed the FY2025 COLA Vote, and the compliance requirements set forth by M.G.L. Chapter 32, ss. 103(c) and (i). Mr. Callahan expressed his support for the approval of the COLA, on behalf of the members of the SCRB. On a motion made by Mr. Callahan and seconded by Mr. Veno, the Board voted by roll call Ms. Hayes, yes, Ms. Peterson, yes, Mr. Veno, yes, Mr. Callahan, yes, Ms. Freedman, yes, to approve the FY2025 COLA in the amount of 3% on a \$15,000 base for all eligible benefit recipients.

VII. Executive Session

The Board determined that Mr. Larabee's case will be heard at the next board meeting, so that the Board may have time to review a recommendation made by Attorney Tom Gibson. On a motion made by Mr. Veno and seconded by Mr., Callahan, Ms. Hayes, yes, Ms. Peterson, yes, Mr. Veno, yes, Mr. Callahan, yes, Ms. Freedman, yes, to reschedule the review of the application for Accidental Disability Retirement Benefits, submitted on behalf of Dean R. Larrabee, for the June Regular Meeting of the Board.

VIII. 2023 Annual Statement Submission

Mr. Findlen presented the Board with the final version of the 2023 Annual Statement, as it was submitted to PERAC. Mr. Findlen reviewed the few minor changes made to the final version. On a motion made by Ms. Peterson and seconded by Mr. Veno, Ms. Hayes, yes, Ms. Peterson, yes, Mr. Veno, yes, Mr. Callahan, yes, Ms. Freedman, yes, to approve the 2023 Annual Statement submission to PERAC.

IX. Old Business

There were no Old Business matters for the Board to review.

X. New Business

The Board scheduled its next regular meeting, which will be held on Wednesday, June 26th, 2024, at 12:00 p.m. On a motion made by Mr. Veno and second by Mr. Callahan, the Board voted by roll call: Ms. Hayes, yes, Ms. Peterson, yes, Mr. Veno, yes, Mr. Callahan, yes, Ms. Freedman, yes, to adjourn the meeting at 1:29pm

Anna E. Freedman, Chair

Lisa J.B. Peterson

Robert W. Callahan

Sarah M. Hayes

Matt Veno

- Agenda for May 24, 2024, SCRB Board meeting
- April 2024 Minutes
- New Enrollments through 5/24/2024
- Deceased member report
- Service purchase applications
- April Cash Reconciliation
- April Cash Receipts
- April Trial Balance
- Monthly Expenditure Report
- April PRIT Statement
- April PRIM Performance Update
- *LaCroix vs Newton* DALA and CRAB decisions
- 2023 Annual Statement submission