

February 13, 2019
7443

The meeting of the Middlesex County Retirement Board convened at 10:00 A.M. Chairman Thomas Gibson and Board members John Brown, Brian Curtin, and Joseph Kearns were present. Board member Robert Healy was not in attendance. Lisa Maloney, Chief Administrative Officer, was also present.

The Pledge of Allegiance was recited.

COLA

The Chairman acknowledged receipt of PERAC Memo #5/2019 reporting that the Social Security Administration has granted a Cost of Living Adjustment (COLA) in the amount of 2.8%. The COLA which the System may grant, pursuant to Chapter 32, Section 103(c) and 103(i) effective July 1, 2019 is up to 3.0% of the first \$16,000 of benefits.

After review,

On Motion duly made by Mr. Kearns, Seconded by Mr. Brown, it was moved that pursuant to General Laws, Chapter 32, sections 103(c) and 103(i), the Middlesex County Retirement Board elects to grant a cost of living increase to qualifying retirees of the Middlesex County Retirement System, effective July 1, 2019, in the amount of 3% of the first \$16,000 of benefits, prior due notice of the Board's election having been given to the Middlesex County Retirement Board Advisory Council; and, further, that notice of the Board's action be conveyed forthwith to PERAC, to the System's members, to the Middlesex County Retirement Board Advisory Council, to the Association of Retired, State, County and Municipal Employees, and posted to the System's website.

The motion passed.

At 10:10 A.M.,

On motion duly made by Mr. Brown, seconded by Mr. Kearns, it was moved to enter into Executive Session under Purpose 7 of the Open Meeting Law: "To comply with, or act under the authority of, any general ... law", that law being Exemption (c) of the Public Records Law (G.L. c. 4, s. 7(26)(c)) exempting personnel and medical files or information and other materials or data relating to a specifically named individual, the disclosure of which may constitute an unwarranted invasion of personal privacy, following which the Board will reconvene in open session.

Roll Call Vote

John Brown	YES
Brian P. Curtin	YES
Thomas F. Gibson	YES
Joseph W. Kearns	YES

The motion passed.

At 11:30 A.M.,

On motion duly made by Mr. Curtin, seconded by Mr. Brown, it was moved to come out of Executive Session.

Roll Call Vote

John Brown	YES
Brian P. Curtin	YES
Thomas F. Gibson	YES
Joseph W. Kearns	YES

The motion passed.

At this time Melissa Hurley of MJH Communications joined the Board via conference call to discuss the recent newsflash sent via electronic mail and the upcoming spring newsletter. Ms. Hurley reported that the January newsflash was sent to more than ten thousand members, 62% of whom opened the electronic mail. The number of people opening the newsflash increased 10% over last year's January newsflash.

The Board next discussed the System's newsletter, including its format, the frequency of publication, and its manner of distribution. The Board will publish a spring newsletter in June and will mail hard copies to the membership. It will revisit distribution method and the frequency of publication in the fall.

FY 2020 Budget

Ms. Maloney presented a draft of the System's FY 2020 operating budget for the Board's review and discussion. Guidance was provided on personnel costs, professional services, and the building budget, among other areas.

With respect to personnel costs, the Board directed Ms. Maloney to prepare various proposals for staff COLA and merit increases. Further discussion and guidance will be provided at the Board's next meeting.

The Board recessed for lunch at 1:20 P.M. and Mr. Brown departed the meeting. The Board reconvened in regular session at 2:00 P.M. with the Chairman, Mr. Kearns, Mr. Curtin and Ms. Maloney in attendance.

The Board reviewed and approved agenda items #4 through #15, and #17. With respect to agenda item #16, the Board approved the service credit purchases

pending confirmation by Ms. Maloney of the liability being accepted for Matthew Gutwell and Sara Bailey.

Chief Administrative Officer's Report

Ms. Maloney referred the Board members to her written report for a detailed summary of the System's activities since the last Board meeting.

Retirement Processing

PERAC conducted its biennial review of the benefit calculation waiver process for superannuation retirements. Staff provided PERAC with a list of all members who have retired under superannuation between January 1, 2017 and December 31, 2018.

Excess Earnings

Ms. Maloney reviewed with the Board the account status of Robert Rebovich, an accidental disability retiree who is on an installment plan to repay excess earnings pursuant to Section 91A of the retirement plan. Ms. Maloney was directed to notify Mr. Rebovich that his failure to return his payment agreement and to remit his monthly payments will have an adverse effect on his future retirement benefits.

1099R Processing

Form 1099Rs were mailed to benefit recipients on January 24, 2019. Overall, outsourcing the 1099R Form mailing was a success. A small percentage of the 1099R Forms were returned to the office because various mailing machines at local post offices read the System's return address as the recipient's address due to the low placement of the return address's window box on the mailing envelope. The returned forms have been re-sent to the benefit recipients. A different form layout will be considered by the Board next year.

MCRS Pension Education Series

Ms. Maloney provided the Board with a proposed schedule for the six 2019 regional training sessions. The Board agreed with the host locations and directed Ms. Maloney to schedule the meetings.

2018 Member Data

In response to PERAC Memo #6/2019, staff members are preparing the System's 2018 actuarial files for regular and disability retirees as well as active members. The files are due to PERAC in March.

Employer Reporting

With respect to the 2018 payrolls, Ms. Maloney reported all units are fully posted through December and variances reconciled. There are outstanding payments due from Boxborough, Weston and Littleton Housing Authority. With respect to the 2019 payrolls, 77% of the units are fully posted through January.

FY 2019 Appropriation

Ms. Maloney reported all but one unit has submitted their FY 2019 appropriation payments. The Board directed Ms. Maloney to send a second notice to Littleton Housing and assess interest on the outstanding amount due.

Business Process Documentation Project

The System's auditor is meeting with staff to document business processes. The first processes to be reviewed are refunds, transfers in and out, and Section 3(8)(c) payables and receivables.

Section 3(8)(c) Payments

Ms. Maloney reported the total amount billed, with adjustments, for CY 2019 Section 3(8)(c) invoices is \$3,830,115.99. To date, the System has received \$1,850,237.62 from 44 of the 84 retirement systems billed. She further reported that the State Retirement System's Director of Fiscal Services provided the System with the requested backup on COLA payments and Section 3(8)(c) billings needed to resolve the issues of outstanding Section 3(8)(c) liability payments and COLA payments.

With respect to accounts payable, staff requested Board approval to pay \$1,137,102.05 in Section 3(8)(c) invoices this month.

After review,

On motion duly made by Mr. Curtin, seconded by Mr. Kearns, it was moved to approve payment of Section 3(8)(c) invoices for February 2019 in the amount of \$1,137,102.05.

The motion passed.

Finance and Investments

Ms. Maloney referred the Board to her written report with respect to investment performance.

Building Update

Ms. Maloney reported that the agreement between the System and the Billerica Public Schools to lease space on the second floor of 25 Linnell Circle has been executed. The System will be pursuing a tax abatement in FY 2020 to account for the additional space being occupied by Billerica Public Schools and Valley Collaborative. An RFP for legal services to assist with that process needs to be issued.

This concluded Ms. Maloney's report.

Chairman's Report

At this time the Chairman delivered his report.

PERAC Update

The Chairman reported he has requested a technical advisory of PERAC with respect to rehired annuitants and whether or not they need to contribute to OBRA after retirement. He also reminded the Board members that their Statements of Financial Interest are due May 1, 2019.

The Board reviewed its practice of reviewing medical panel reports and report distribution to members and employers.

Further the Chairman reported that PERAC's actuary, Jim Lamenzo, will likely recommend that the State Retirement System lower its investment rate of return to 7.25%. Fifty percent of the 104 retirement systems have investment rates of return at 7.5% or less. Finally, it was noted that Mr. Lamenzo will be retiring in April.

PRIM Update

The Chairman reported that the state pension fund lost \$4.5 billion in the fourth quarter of 2018. PRIM's next Board meeting is February 26, 2019.

Litigation Update

The Chairman provided status updates of appeals pending before the Division of Administrative Law Appeals and the Contributory Retirement Appeal Board, and reviewed recent cases.

Legislation Update

The Chairman reported that Representative David Nangle introduced the System's legislation: "*An Act Further Improving the Operations of Regional Retirement Systems*". It has been assigned House Docket number 3356.

Board Meeting Dates

The Board scheduled the next Advisory Council Subcommittee Meeting on Investments and Assessments and regular Board meeting for April 10, 2019. It deferred scheduling its May and June Board meetings until all Board members could be present.

Pensionomics 2018

Next the Board reviewed and discussed *Pensionomics 2018* published by the National Institute on Retirement Security.

After review,

On motion duly made by Mr. Curtin, seconded by Mr. Kearns, it was moved to distribute *Pensionomics 2018* to the Advisory Council.

The motion passed.

Scott Holt- PERAC Calculation Advisory

The Chairman reviewed with the Board PERAC's advisory regarding the benefit calculation of accidental disability retiree Scott Holt. Ms. Maloney confirmed Mr. Holt's payment is consistent with PERAC's advisory.

Annual Review of Executive Session Minutes

The open meeting law requires that a public body, or its chair or designee, review the minutes of its executive sessions at reasonable intervals to determine if the open meeting law warrants continued non-disclosure.

After review,

On motion duly made by Mr. Curtin, seconded by Mr. Kearns, it was moved to authorize the Chairman and Chief Administrative Officer to conduct a review of executive session minutes to determine if the need for secrecy continues to exist.

The motion passed.

Annual Review of System Vendors - Conflict of Interest

The Board deferred its review of the 2018 Vendor List until all Board members could be present.

This concluded the Chairman's Report.

Due Diligence

After review,

On motion duly made by Mr. Curtin, seconded by Mr. Kearns, it was moved to approve the attendance of Board members and the Chief Administrative Officer at the 2019 NCPERS Chief Officers Summit on June 13-14, 2019, in Chicago, IL, and that expenses for attendance at said conferences be reimbursed in accordance with the Board's policies and PERAC's travel regulations.

The motion passed.

The Chairman reminded the Board that the State Ethics Law Acknowledgments will be forthcoming.

The Board announced the following votes which were taken in Executive Session:


18. (b) – The Board voted to deny as a matter of law the accidental disability retirement of Robert Clark.

18. (a) – The Board voted to approve the accidental disability retirement of Christopher Belanger.


18. (c) – The Board voted to accept the Tewksbury Chief of Police's involuntary accidental disability retirement application filed on behalf of Brian O'Neill and to request that PERAC convene a medical panel.

18. (d) – The Board voted to approve the accidental disability retirement of Andrew McLaughlin.

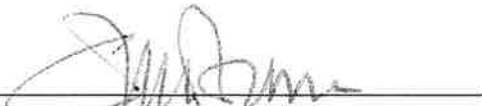
There being no further business to come before the Board, on motion duly made by Mr. Curtin, seconded by Mr. Kearns, it was moved to adjourn at 3:50 P.M.



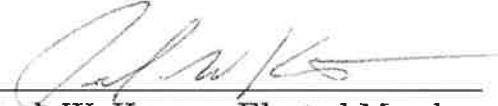
Thomas F. Gibson, Chairman



Brian P. Curtin, Vice Chairman



John Brown, Elected Member



Joseph W. Kearns, Elected Member

Regular Session Documents

1. Meeting Agenda
2. Cover Page and Agenda Items #3-18(d)
3. Retirement Board Meeting Minutes of January 16, 2019
4. Chief Administrative Officer's Report
5. Cash Balance Sheet and Operating Budget
6. PRIM Performance Update
7. State Street Performance Update
8. Litigation Report
9. Pensionomics 2018
10. Section 3(8)(c) Payables
11. Scott Holt- PERAC Calculation Advisory
12. 2018 Vendor List