

**Advisory Council Meeting**  
**April 28, 2021**

A meeting was held by the Advisory Council of the Essex Regional Retirement System on Wednesday, April 28, 2021 at 1:00 p.m. Pursuant to the Governor's Executive Order issued on March 10, 2020, this meeting was held remotely. The following individuals attended this meeting remotely:

**Advisory Council Members:**

Charles Kostro, Essex Regional Retirement System  
Jeffrey Soulard, Town of Essex  
Kevin Merz, Town of Ipswich  
Leslie Davidson, Town of Lynnfield  
Jennifer Yaskell, Town of Manchester  
Carol McCleod, Town of Merrimac  
Belinda Young, Town of Middleton  
Diane Doyle, Town of Newbury  
Justin Bartholomew, Pentucket Regional School District  
Karen Summit, Town of Rowley  
Sherrie LeBlanc, Town of Wenham

**ERRS Board Members:**

Susan J. Yaskell  
Andrew Sheehan  
Joseph Maney

**Other Attendees:**

Cassandra Green, Essex Regional Retirement System

**Opening Statement by the Chair - Recording of the Meeting**

Kevin Merz called the meeting to order at 1:02 p.m. Mr. Merz stated that the Massachusetts Open Meeting Law permits meetings to be recorded and states that the Chair shall inform attendees at the beginning of the meeting of any such recording. Therefore, I am informing everyone that this meeting is being recorded. Mr. Merz further stated that pursuant to the order of the Governor issued on March 10, 2020 suspending certain requirements of the Open Meeting Law, this meeting is being conducted via remote participation. Therefore, all votes shall be by roll call. At the time of voting, Mr. Kostro will call the roll of all Advisory Council members present. Please vote "yes" or "no" or "abstain".

**Public Comment Period**

There were no public comments.

## **Approval of the Spring Advisory Council Meeting Minutes**

Upon a motion by Diane Doyle, Town of Newbury, seconded by Jennifer Yaskell, Town of Manchester, the Advisory Council members voted by roll call; To approve the minutes of the Advisory Council meeting of November 18, 2020. Roll Call:

Charles Kostro, Essex Regional Retirement System, Yes;  
Jeffrey Soulard, Town of Essex, Abstain;  
Kevin Merz, Town of Ipswich, Yes;  
Leslie Davidson, Town of Lynnfield, Abstain;  
Jennifer Yaskell, Town of Manchester, Yes;  
Carol McCleod, Town of Merrimac, Yes;  
Belinda Young, Town of Middleton, Abstain;  
Diane Doyle, Town of Newbury, Yes;  
Karen Summit, Town of Rowley, Abstain;  
Sherrie LeBlanc, Town of Wenham, Yes.

## **Retirement System Updates**

Mr. Merz reviewed the vote of the Board granting a 3% COLA for eligible retirees of the retirement system by a vote of four to one. Mr. Merz said that he was hoping to decrease the annual COLA but increase the COLA Base, and so he offered to increase the COLA by 2% but to also increase the COLA Base by \$1,000. Mr. Merz stated that this would not hurt retirees this year as they received a lot of stimulus money and were not hurt by loss of jobs or income, plus retirees probably saved more by not going out as much over the last year. Despite his proposal, he said that a 3% COLA was approved. Mr. Merz introduced Andrew Sheehan, the newly elected First Member of the Board. Mr. Sheehan said that he was hoping to learn more about the retirement system and looked forward to keeping things going as well as they have been going. He stated that he is not looking to change ERRS in any particular way, and he is happy to see the direction the retirement system is going and is looking to keep it going in that way. Mr. Merz reviewed the PERAC audit that was in the packet for the Advisory Council members. He said the audit was fantastic as there were no audit findings, which is a real credit to Mr. Kostro and the staff at ERRS, which has been short-handed over the past year or two. Mr. Merz reviewed the recent investment performance of the retirement system and said that the 2020 annual return at the PRIT Fund was 12.57%, well above the assumed rate of return for ERRS, which is 7.3%. Mr. Merz also reviewed the ten-year return at PRIT, which is 8.96%. This reflects positively, Mr. Merz said, on the Board's decision to move all assets into the PRIT Fund many years ago. Ms. Summit discussed a recent call with their rating agency in which concern was expressed about the assumed rate of return being too aggressive. She advised that this led to a lowering of their bond rating. Mr. Merz reviewed the Board's history of slowly lowering the assumed rate of return, which is done to minimize dramatic increases in the appropriation amount paid by the units. Jeff Soulard said that Essex went out to bond last year and had a similar experience to Rowley's.

## **Administrative Budget & Retirement Office Operations Status Report**

Mr. Kostro introduced Cassandra Green, the new Executive Assistant at ERRS. Mr. Kostro said that notwithstanding the challenges everyone has faced over the past year or more, for ERRS, the constant turnover of the past few years and the ability to fill vacant positions continues to be the biggest challenge faced by the retirement system. Mr. Kostro reviewed the eleven personnel moves at ERRS between March 2018 and May of 2021, stating that this was an extraordinary amount of turnover for a staff of only six full-time employees. Mr. Kostro said that ERRS has been short-handed for thirty of the past thirty-seven months, and that April 2021 marks the first time ERRS has been fully staffed in thirteen months. Mr. Kostro then reviewed the 2020 administrative budget, which was 14.75% under-budget. He said that the employee salaries line-item was 11% under-budget in 2020, mostly due to the staff working short-handed for most of the year. Mr. Kostro also reviewed the steps taken by the Board over the past eighteen months to make ERRS more competitive in hiring and retaining employees. He indicated that while salaries for vacant positions have increased, this has been done in a limited and controlled manner which should not cause any significant spike in salaries or in the overall budget in 2021. Despite working short-handed throughout the past fourteen months, Mr. Kostro pointed to a series of accomplishments achieved by the retirement system. This included meeting every deadline and not once seeking an extension for any required submission, and the installation of a new, more sophisticated phone system, replacing an older phone system that collapsed in November of 2020. Mr. Kostro also said that ERRS retired 110 members in 2020, the third highest total ever and only three less than the highest total in the retirement system's history. He reviewed the collection of \$3.1 million in transfer receipts in 2020, which was \$1.9 million more than in 2019 and \$1.2 million more than in 2018, when ERRS was last fully staffed. Mr. Kostro said that ERRS has filled two vacant positions and has rehired Mike Nicolazzo, who will start in May and who will replace Kathy Carleton when she retires in June. This means that ERRS has filled or replaced one half of its total number of full-time positions, which is the most hiring done by the retirement system in one year since Mr. Kostro was appointed in 2011. Despite being short-handed between June 2020 and April 2021, Mr. Kostro said that ERRS went through three separate audits covering a total of six years. Mr. Kostro also said that the PERAC audit, which was in the meeting packet and which covered the years 2015 to 2019, concluded without a single finding and without a single correction in any calculation of a retirement benefit, a refund, a service calculation or an accounting entry. Mr. Kostro felt that this was an extraordinary achievement by the staff at ERRS. All this was accomplished, said Mr. Kostro, while spending the second lowest amount to operate the retirement system in the past fourteen years. Diane Doyle thanked Mr. Kostro for the hard work by him and his staff at the retirement system. Mr. Kostro thanked Ms. Doyle and said it was a team effort. He pointed to the outstanding support of the Board during this period as well as the great work of the staff and that he felt very lucky to work with the people he works with at ERRS. Mr. Merz asked that when treasurers are asked about contacting the retirement system, what changes that were implemented in the past year will continue in the future? For instance, he continued, how will retirees or active members contact the retirement system, how will it work with the staffing in the office, when will things go back to what it was pre-pandemic or will it be different going forward? Mr. Kostro said that ERRS opened to the public on a limited basis last summer and offered in-person counseling beginning last August. He said that very few people seemed anxious to come to the office for in-person counseling once they were advised that they

could do this remotely. He did say that, on occasion, members would come in. In these cases, Mr. Kostro would meet in-person with the member and their spouse, while a staff member would participate in the meeting remotely. But, Mr. Kostro said, these types of in-person counseling sessions, which was once a staple of the retirement system's procedures, were infrequent over the past year. He said that most of the retirement counseling sessions over the past year have been done remotely. Mr. Kostro said that the retirement system has been able to complete retirement applications fully through remote counseling sessions and that he has found that members find this more convenient than having to come to the Danvers office for a meeting. In Mr. Kostro's estimation, he felt that remote retirement counseling will be the dominant way in which members are retired in the future.

### **Second Member Election Schedule**

Upon a motion by Diane Doyle, Town of Newbury, seconded by Karen Summit, Town of Rowley, the Advisory Council members voted by roll call; That the Advisory Council hereby approves the following schedule for the election of the Second Member of the Essex Regional Retirement Board:

**September 17, 2021** – The notice of the meeting of the Advisory Council at which the election will be held is posted. Simultaneously, the notice of the nomination process and the election is sent to the members of the Advisory Council.

**October 25, 2021** – Deadline for Nominations (4:30 p.m.).

**October 27, 2021** – Advisory Council Meeting and Election. Roll Call:

Charles Kostro, Essex Regional Retirement System, Abstain;  
Jeffrey Soulard, Town of Essex, Yes;  
Kevin Merz, Town of Ipswich, Yes;  
Leslie Davidson, Town of Lynnfield, Yes;  
Jennifer Yaskell, Town of Manchester, Yes;  
Carol McCleod, Town of Merrimac, Yes;  
Belinda Young, Town of Middleton, Yes;  
Diane Doyle, Town of Newbury, Yes;  
Justin Bartholomew, Pentucket Regional School District, Yes;  
Karen Summit, Town of Rowley, Yes;  
Sherrie LeBlanc, Town of Wenham, Yes.

### **Second Member Election Procedures**

Upon a motion by Jennifer Yaskell, Town of Manchester, seconded by Karen Summit, Town of Rowley, the Advisory Council members voted by roll call; That the procedures of the election of the Second Member shall be approved as presented below:

**Nominations** - Any duly qualified member may be nominated or may nominate themselves by submitting a letter to the Essex Regional Retirement Board Advisory Council, in care of Charles E. Kostro, Executive Director, Essex Regional Retirement System, 491 Maple Street, Suite 202,

Danvers, MA 01923, or by submitting an email to ckostro@essexrrs.org, no later than **4:30 p.m. on October 25, 2021.**

**Ballot** - The board shall prepare an official ballot, a sample copy of which is attached. Qualified candidates shall be listed on the official ballot in alphabetical order. If the incumbent Second Member is nominated, he or she shall be identified as the incumbent on the official ballot. The official ballot shall state the length of the term for which the candidates are running.

**Voting** - The members of the Essex Regional Retirement Board Advisory Council shall vote by secret ballot at the meeting duly called for this purpose. Advisory Council members shall place their marked ballots in plain, unmarked envelopes, and shall hand the envelopes containing the ballots to the individual designated by the Advisory Council as responsible for supervising the counting of the ballots.

**Counting of the Ballots** - The ballots shall be opened and tabulated by the individual designated for this purpose by a vote of the Advisory Council in the presence of the members of the Advisory Council.

The individual designated by the Advisory Council to open and count the ballots, shall announce the results of the election upon completion of the count. The Advisory Council shall vote to certify the results of the election at this time.

Roll Call:

Charles Kostro, Essex Regional Retirement System, Abstain;  
Jeffrey Soulard, Town of Essex, Yes;  
Kevin Merz, Town of Ipswich, Yes;  
Leslie Davidson, Town of Lynnfield, Yes;  
Jennifer Yaskell, Town of Manchester, Yes;  
Carol McCleod, Town of Merrimac, Yes;  
Belinda Young, Town of Middleton, Yes;  
Diane Doyle, Town of Newbury, Yes;  
Justin Bartholomew, Pentucket Regional School District, Yes;  
Karen Summit, Town of Rowley, Yes;  
Sherrie LeBlanc, Town of Wenham, Yes.

### **Second Member Election Ballot**

Upon a motion by Jennifer Yaskell, Town of Manchester, seconded by Carol McLeod, Town of Merrimac, the Advisory Council members voted by roll call; That the Advisory Council approves the ballot for the election of the Second Member as presented.

Roll Call:

Charles Kostro, Essex Regional Retirement System, Abstain;  
Jeffrey Soulard, Town of Essex, Yes;  
Kevin Merz, Town of Ipswich, Yes;

Leslie Davidson, Town of Lynnfield, Yes;  
Jennifer Yaskell, Town of Manchester, Yes;  
Carol McCleod, Town of Merrimac, Yes;  
Belinda Young, Town of Middleton, Yes;  
Diane Doyle, Town of Newbury, Yes;  
Justin Bartholomew, Pentucket Regional School District, Yes;  
Karen Summit, Town of Rowley, Yes;  
Sherrie LeBlanc, Town of Wenham, Yes.

## **Second Member Election Contingencies**

Upon a motion by Jeffrey Soulard, Town of Essex, seconded by Belinda Young, Town of Middleton, the Advisory Council members voted by roll call; That the Advisory Council hereby authorizes the Executive Director of the Essex Regional Retirement System to adjust the schedule and procedures as needed to accommodate a possible remote meeting at which the election of the Second Member may be conducted. Provided, however, that any such change shall be approved by PERAC in advance of the fall meeting. Further, if practicable, the Advisory Council shall have the opportunity to approve or not any such proposed change in the election schedule or procedures.

### **Roll Call:**

Charles Kostro, Essex Regional Retirement System, Abstain;  
Jeffrey Soulard, Town of Essex, Yes;  
Kevin Merz, Town of Ipswich, Yes;  
Leslie Davidson, Town of Lynnfield, Yes;  
Jennifer Yaskell, Town of Manchester, Yes;  
Carol McCleod, Town of Merrimac, Yes;  
Belinda Young, Town of Middleton, Yes;  
Diane Doyle, Town of Newbury, Yes;  
Justin Bartholomew, Pentucket Regional School District, Yes;  
Karen Summit, Town of Rowley, Yes;  
Sherrie LeBlanc, Town of Wenham, Yes.

## **New Business**

Jennifer Yaskell asked about possible legislation providing additional service to those public employees designated as essential workers. Ms. Yaskell asked what the status was of the legislation and if Mr. Kostro was aware of the proposed bill. Mr. Kostro said that he is aware of this legislation and has reviewed the bill that was filed. He pointed out that this bill has not yet been heard by the Public Service Committee and he reviewed what he felt were some of the concerns and potential flaws in the bill. Mr. Merz stated that this issue was brought up at the Executive Committee of the Massachusetts Treasurer-Collectors Association. He said that the bill has been filed and has not gone through the hearing process and has a long way to go to become law. Mr. Merz said the legislative agent for the Treasurer-Collectors Association said that there is no way in hell that this legislation will be passed. He noted that cities and towns will have to fund the liability associated with this bill, unless the state is going to fund it, and that any such liability

will be enormous. Mr. Merz advised that he does not see this bill happening and there will be a lot of opposition.

### **Retirement System Roundtable**

Diane Doyle asked about what can be done creatively to fill the gap in providing information to current employees since the usual spring benefit fairs cannot be held. She asked Mr. Kostro how current, active employees should go about contacting the retirement system with questions or if they want to review their retirement account. Mr. Kostro reviewed the multiple ways in which members can contact the retirement system. He also suggested that members can use the Employee Self-Service portal to check their account, and that they can always call the retirement system with any questions.

### **Motion to Adjourn**

Upon a motion by Karen Summit, Town of Rowley, seconded by Carol McLeod, Town of Merrimac, the Advisory Council members voted by roll call to adjourn the meeting. Roll Call:

Charles Kostro, Essex Regional Retirement System, Yes;  
Jeffrey Soulard, Town of Essex, Yes;  
Kevin Merz, Town of Ipswich, Yes;  
Leslie Davidson, Town of Lynnfield, Yes;  
Jennifer Yaskell, Town of Manchester, Yes;  
Carol McCleod, Town of Merrimac, Yes;  
Belinda Young, Town of Middleton, Yes;  
Diane Doyle, Town of Newbury, Yes;  
Justin Bartholomew, Pentucket Regional School District, Yes;  
Karen Summit, Town of Rowley, Yes;  
Sherrie LeBlanc, Town of Wenham, Yes.

The meeting was adjourned at 1:53 p.m.

  
\_\_\_\_\_  
**Kevin A. Merz, Chair**  
**Advisory Council-ERRS Board Member**