Advisory Council Meeting
September 28, 2022
Ipswich Town Hall, Meeting Room A

A meeting was held by the Advisory Council of the Essex Regional Retirement System on Wednesday, September 28, 2022 at the Ipswich Town Hall, 25 Green Street, Ipswich, MA. The following individuals were in attendance:

Advisory Council Members:

Chuck Kostro, Essex Regional Retirement System
Kevin Merz, Town of Ipswich
Leslie Davidson, Town of Lynnfield
Diane Doyle, Town of Newbury
Nick Federico, Town of Middleton
Ellen Guerin, Town of Boxford
Kimberly Mackie, Town of North Andover
Karen Summit, Town of Rowley
Jennifer Yaskell, Town of Manchester

Other Attendees:

Lori O'Donnell, ERRS Executive Assistant
Katherine Carleton, Candidate for Board Member
Jen Davis, Assistant Treasurer of Georgetown
Britt Travinski, ERRS Senior Retirement Counselor

Opening Statement by the Chair

Kevin Merz called the meeting to order at 10:02 a.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. If anyone else is recording the meeting, please identify yourself at this time. Mr. Merz reminded Advisory Council members who wish to speak that they should identify themselves and the unit they represent. This will assist the retirement system staff in accurately recording the minutes of the meeting.

Public Comment Period

No public comment.

Approval of Spring 2022 Advisory Council Meeting Minutes

Upon a motion by Ellen Guerin, Town of Boxford, seconded by Diane Doyle, Town of Newbury, and abstained by Karen Summit, Town of Rowley, the Advisory Council voted; To approve the minutes of the Advisory Council meeting of June 29, 2022.

Retirement System Updates

Mr. Merz reviewed for the Advisory Council the recent vote of the Essex Regional Retirement Board approving the new funding schedule. This was the funding schedule presented to the Advisory Council at their spring meeting.

Certification of the 2023 ERRS Administrative Budget

Mr. Kostro gave an overview of the 2023 administrative budget and spending plan. He reviewed the proposed increases in the budget and commented on the continued loss of employees and the resulting turnover. To retain and attract employees, the Board has approved several salary increases which, while effective in 2022, will be fully funded in 2023. Mr. Kostro reviewed the recent history of salary reductions or level funding employee salaries throughout most of the past ten to twelve years. He noted that ERRS has paid a high price for this approach as numerous qualified employees have left since 2018. Mr. Merz commented that previous employees left because they were accepting new positions with new responsibilities and a higher pay scale. When compared with other retirement systems ERRS fell short offering salaries on the low end of what other cities and towns were paying. Mr. Merz seconded Mr. Kostro's need for qualified people to attain a healthy environment and create some stability. Mr. Kostro pointed out that the prolonged period of stagnant salaries at the retirement system means that even with the proposed increases the total employee salary line-item is only $25,000.00 more than it was in 2009. Ellen Guerin, Town of Boxford, said she commends the staff and the work they were able to perform while understaffed and she felt the narrative regarding the increase was excellent. She said that she is pleased with Mr. Kostro's explanation and his continued efforts to manage the budget. Mr. Kostro noted that another area that saw a significant increase was Legal Expenses. ERRS has been fortunate, he noted, that in recent years the number of disability applications has been exceptionally low. As the ERRS legal counsel engages in the review of disability applications, this tends to be the largest cost in the legal budget each year. With the small number of disability cases in 2020 and 2021, the legal budget, which is normally set at $75,000 per year, was reduced to $63,000 in 2022. However, the number of disability applications in 2022 has skyrocketed and ERRS is presently processing approximately fifteen disability applications, among the highest it has had to manage in any given year in its history. The legal budget will be well over-budget in 2022 and Mr. Kostro is recommending an approximately 50% increase for 2023. Mr. Kostro reviewed the process for approving the budget and noted that the Advisory Council is certifying that the budget has been presented to them today. He said that the Board will approve a final budget in December and that this budget will be distributed to all ERRS units and posted on the website. Karen Summit, Town of Rowley, asked what happens if ERRS does not spend what is allocated to each line item. She wanted to know what happens to the excess. Mr. Merz said that the administrative budget is funded by ERRS assets, so any over-run is funded by the assets and any surplus is returned to the retirement system. It was noted that ERRS has been under-budget in its administrative spending every year for the past twelve years and these surpluses are reflected in the valuation studies and reduce the total unfunded liability. Upon a motion by Karen Summit, Town of Rowley, seconded by Ellen Guerin, Town of Boxford, the Advisory Council voted unanimously; To approve the certification of the 2023 ERRS Administrative Budget in the amount of $1,262,779.00.

Certification of Nominees

Upon a motion by Ellen Guerin, Town of Boxford, seconded by Karen Summit, Town of Rowley, the Advisory Council voted unanimously; To approve the certification of the following Nominees for the position of the third and fourth members of the Essex Regional Retirement Board. Those Nominees are Katherine Carleton, Jonathan Dennis, Andrew Gould, and Susan J Yaskell. They have filed their nomination papers containing the requisite number of valid signatures and addresses.

Certification of Candidate Statements

Upon a motion by Diane Doyle, Town of Newbury, seconded by Leslie Davidson, Town of Lynnfield, the Advisory Council voted unanimously; To approve the statements submitted by each of the certified nominees for distribution to all eligible voters.

Certification of Ballot Order

Upon a motion by Ellen Guerin, Town of Boxford, seconded by Karen Summit, Town of Rowley, the Advisory Council voted unanimously; To approve the order of candidates as they appear on the ballot and that an incumbent candidate should also be noted on the ballot card. The order is as follows;

1. Andrew Gould
2. Jonathan Dennis
3. Susan J Yaskell
4. Katherine Carleton

Designation of the Election Officer

Upon a motion by Jennifer Yaskell, Town of Manchester, seconded by Diane Doyle, Town of Newbury, the Advisory Council voted unanimously; That Kevin Merz serves as the Election Officer for the election of the third and fourth members of the retirement board and shall act on behalf of the Advisory Council in all matters related to the election as required by Massachusetts General Law, Chapter 34B, Section 19 A, including but not limited to, authority to declare ballots valid or invalid.

Certification of the Ballot Counting Procedure

Upon a motion by Karen Summit, Town of Rowley, seconded by Ellen Guerin, Town of Boxford, the Advisory Council voted unanimously; That Kevin Merz, or his designee, may receive returned envelopes containing ballots and, after confirming the envelope is from a qualified voter and has been received in accordance with the rules of the election, the envelope shall be opened, and the ballot envelope shall be separated and organized as appropriate. The ballot envelopes shall be opened at the time designated to be counted, which count shall be open to the public.

Motion To Adjourn the Meeting

Upon a motion by Jennifer Yaskell, Town of Manchester, seconded by Kimberly Mackie, Town of North Andover, the Advisory Council voted unanimously; To adjourn the meeting. The meeting was adjourned at 10:34 a.m.

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

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