Patrick Dello Russo ______ **Kelly Cogavin** ______ **Michael Lyle** ______ 678
Scott Colborne ______ **John McLaughlin, Jr.** ______

Melrose Retirement Board Meeting
September 28, 2022

The Regular Meeting of the Melrose Retirement Board duly posted to be held in the Retirement Office, City Hall, Melrose, MA on the above date was called to order at 9:00 AM by Vice Chairman Lyle with Board Member McLaughlin, Jr. and Board Member Colborne present remotely via Zoom. Also in attendance was Executive Director Adam Travinski. Chairman Dello Russo was absent and Board Member Cogavin was absent due to childcare.

New Business:

1.On a motion made by Board Member Colborne and seconded by Board Member McLaughlin, Jr., it was unanimously **VOTED** by the Board to approve the Regular Session minutes of the August 31, 2022 meeting and sign them into record.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

2. On a motion made by Board Member Colborne and seconded by Board Member Lyle, it was unanimously **VOTED** by the Board to issue payment for Cash Disbursements Warrant #09-2022 and Retirement Payroll Warrant #09-2022.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

3. On a motion made by Board Member Colborne and seconded by Board Member McLaughlin, Jr., it was unanimously **VOTED** by the Board to read and sign the following certificates and include them for Membership in the Melrose Retirement Board:

- Certificate #3579: Kristin Cantin. Ms. Cantin is a Paraprofessional for the School Department. She is a Group 1, hired on August 31, 2022.
- Certificate #3580: Lindsey Perry. Ms. Perry is a Paraprofessional for the School Department. She is a Group 1, hired on August 31, 2022.
- Certificate #3581: Allison Spivack. Ms. Spivack is a Speech Assistant for the School Department. She is a Group 1, hired on August 31, 2022.
- Certificate #3582: Andrew Capuano. Mr. Capuano is a Paraprofessional for the School Department. She is a Group 1, hired on August 31, 2022.

- Certificate #3583: Theresa Ventura. Ms. Tremblay is a Paraprofessional for the School Department. She is a Group 1, hired on August 31, 2022.
- Certificate #3584: Zeynep Sayar. Ms. Sayar is a Paraprofessional for the School Department. She is a Group 1, hired on August 31, 2022.
- Certificate #3584: Zeynep Sayar. Ms. Sayar is a Paraprofessional for the School Department. She is a Group 1, hired on August 31, 2022.
- Certificate #3585: Erin Bouche. Ms. Bouche is a Paraprofessional for the School Department. She is a Group 1, hired on August 31, 2022.
- Certificate #3586: Ryan Donahue. Mr. Donahue is a Paraprofessional for the School Department. She is a Group 1, hired on August 31, 2022.
- Certificate #3587: Sarah Arens. Ms. Arens is a Paraprofessional for the School Department. She is a Group 1, hired on August 31, 2022.
- Certificate #3588: Arianna Ortega. Ms. Ortega is a Paraprofessional for the School Department. She is a Group 1, hired on August 31, 2022.
- Certificate #3589: Liana Miranda. Ms. Miranda is a Paraprofessional for the School Department. She is a Group 1, hired on August 31, 2022.
- Certificate #3590: Lori Federico. Ms. Federico is a Paraprofessional for the School Department. She is a Group 1, hired on August 31, 2022.
- Certificate #3591: Joseph Garozzo. Mr. Garozzo is a Fleet Foreman for the DPW. He is a Group 1, hired on October 3, 2022.
- Certificate #3592: Page Sampson. Ms. Sampson is a Paraprofessional for the School Department. She is a Group 1, hired on August 31, 2022.
- Certificate #3593: Nyra Culbert-Hall. Ms. Culbert-Hall is the METCO Director for the School Department. She is a Group 1, hired on September 12, 2022.
- Certificate #3593: Stacey Pollack. Ms. Pollack is a Paraprofessional for the School Department. She is a Group 1, hired on September 21, 2022.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

4. On a motion made by Board Member Colborne and seconded by Board Member McLaughlin, Jr., it was unanimously **VOTED** by the Board to accept and process the following received Applications for Withdrawal of Accumulated Total Deductions and Transfers.

- Jacqueline Dawley. Ms. Dawley was a Paraprofessional for the School Department with 7 years of creditable service. The Board will transfer her account of $8,913.11 to the Essex Regional Retirement System.

- Shayla Fullam. Ms. Fullam was a Paraprofessional for the School Department with 11 months of creditable service. The Board will transfer her account of $8,913.11 to the Mass Teachers' Retirement System.
- Andrew Street. Mr. Street was the City Engineer for the DPW with 3 years and 7 months of creditable service. The total amount of the refund is for $26,903.13

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

5. On a motion made by Board Member Colborne and seconded by Board Member Lyle, it was unanimously **VOTED** by the Board to review and approve the Cashbooks for August.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

6. On a motion made by Board Member McLaughlin, Jr. and seconded by Board Member Colborne, it was unanimously **VOTED** by the Board to review and approve the reconciliation of the MMDT and Eastern Bank statements for August.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

7. On a motion made by Board Member McLaughlin, Jr. and seconded by Board Member Colborne, it was unanimously **VOTED** by the Board to approve the attendance of the Executive Director at the MARCS annual fall conference in Springfield, MA, from October 2, 2022 through October 5, 2022. The cost of the conference is approximately $440.00 plus approximately $600.00 for hotel accommodations for 3 nights.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

8. On a motion made by Board Member McLaughlin, Jr. and seconded by Board Member Colborne, it was **VOTED** by the Board to appoint Kristin Foote as Election Officer to the Board for the upcoming election.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

9. On a motion made by Board Member Colborne and seconded by Board Member McLaughlin, Jr., it was **VOTED** by the Board to finish the rest of the agenda and then review and discuss the PERAC audit report findings and finalize the 2022 Budget. Board Member Lyle stated that there was a packet submitted by the Chair and asked if the Board had a chance to review it. Board Members McLaughlin, Jr. and Colborne stated yes. Board Member Colborne stated that from PERAC's audit findings "that PERAC remains concerned that the statute does not authorize the Board to pay these expenses". He stated that he's considered the packet put together by Chairman Dello Russo, but his decision is to not continue to pay these costs. Board Member Lyle asks if he could list the administrative costs, so the Board has a basis. Board Member Lyle stated the charges for the City Solicitor and Assistant to the City Solicitor, Human Resources Director and Manager and Assistant Treasurer Collector, which the Assistant Treasurer Collector has already been resolved. He then stated there's some other costs in the Budget associated with an annual audit from Powers & Sullivan for $5,000 per year. The rental expense for the office space we occupy in City Hall is approximately $1,000 per month. The Director stated that was the new suggestion from the City Assessor. Board Member Colborne asked what we're currently paying. The Director stated $10,062 per year and proposed $12,000 per year and get a rental agreement. Board Member Colborne stated that he's ok with the rent expense. He stated that I guess we have to go along with the increase since everything else is going up. He stated the $5,000 paid to Powers & Sullivan he's against continuing to pay that. He feels it's unnecessary based on the fact that we have to abide by PERAC's audit regardless. He asked the Director if that's correct. The Director stated that it's not required from dealing with PERAC. Board Member Colborne stated we do not have a contract with them, correct? The Director stated correct. Board Member McLaughlin, Jr. asked if we get audited by PERAC every year. The Director stated every 3-4 years. Board Member McLaughlin, Jr. asked how often is the Powers & Sullivan audit? The Director stated annually, and he has to be a part of that since we have dealings with the City. He has to provide financials to them in order for them to provide the City with an audit report, we then pay $5,000 of that. Board Member McLaughlin, Jr. asked if we benefit from it. The Director stated that it is not required. Board Member McLaughlin, Jr. stated that he read through the PERAC audit and reviewed the PERAC correspondence from September 6, 2016, and June 24, 2016 and to begin with PERAC's recommendation is that the Board should discuss and vote each year as to whether these payments to the City are appropriate. If the Board chooses to continue to pay the City, they should not do so without a detailed invoice of the services provided. In addition, the Board shall review the rent payments to the City of Melrose as well as the cost basis for the assessment. He stated that he understands they are doing this right now. The audit was very consistent with the September 16th and June 24th correspondence where they state that on several occasions that PERAC does not agree that as the City stated these payments are allowable, on the contrary, we state that we are concerned these payments are not authorized by statute. In the September 6, 2016 correspondence they remain concerned regarding the statutory authority of Melrose Retirement to pay these expenses. They further reference a section where they outline MGL Chapter 32, Section

20 in the June 24th correspondence. And they state that under this statute, the MRB should not be paying costs for services guaranteed in statute with respect to the City Solicitor or HR department. They further state that they believe any expenses beyond the Treasurer are not authorized under the legal principle that essentially states that the express mention of one thing excludes all other things. He stated he can't come to any other conclusion than we should not be paying these expenses and he believes we need to follow the recommendation of our Auditor that we should not pay for these expenses going forward. He does feel that if the City of Melrose wants to engage outside counsel that has Ch. 32 experience, to discuss with PERAC, he would be open to anything that they come back with that would contradict what the auditors are saying. That would occur at some point in the next 12 months and not for this particular budget. As far as the audit for Powers & Sullivan, he'll follow the Board's recommendation that it's unnecessary and PERAC audits us anyway. On the rental agreement, he supports increasing the rent to $12,000 per year. He stated that he will submit these notes for the public record and send to the Board as a whole. Board Member Lyle stated that his biggest concern was the June 2020 retirement board meeting when he asked the Chair at that point and the Chair told him this was a requirement and a mandate, for us to follow these expenditures. He stated that has come to change when we found out from our recent audit that he was present at with Board Member Colborne, we found out that was not true. He stated that the Chair misrepresented himself to the Board at that time. Further, during this audit he found these expenditures are not in the statute that we have been incurring for the past several years, somewhere in the neighborhood of $187,000, and finds that very concerning for us moving forward. He certainly supports both other board members as far as eliminating the City Solicitor and the Assistant to the City Solicitor expense, as well as the expense for HR department's HR Director and HR Manager. In addition, the Powers & Sullivan annual audit fee of $5,000, he requests that we eliminate that as well. He stated that the Chair at the time had a letter sent to the Board stating that the City Solicitor is our attorney. He states that he looks at it differently when he reads Ch. 32 that if we hire outside counsel, that is our attorney. He wanted to make that known that to the board members present, that our outside counsel will be the counsel for the board moving forward. He stated to make it simple, we'll go down each City Department and vote on it individually. Board Member McLaughlin, jr. stated that we'll do a motion for each separate item. On a motion by Board Member Lyle and seconded by Board Member Colborne, it was unanimously **VOTED** by the Board to remove the expense from our budget for the City Solicitor's office.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

Patrick Dello Russo ______ **Kelly Cogavin** ______ **Michael Lyle** ______ **683**
Scott Colborne ______ **John McLaughlin, Jr.** ______

On a motion by Board Member Lyle and seconded by Board Member Colborne, it was unanimously **VOTED** by the Board to remove the expense in our budget for the HR department's HR Director and HR Manager.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

On a motion by Board Member Lyle and seconded by Board Member Colborne, it was unanimously **VOTED** by the Board to remove the expense in our budget for the Powers & Sullivan annual audit of $5,000.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

Board Member Lyle stated that as we have hired outside counsel following Ch.32, that will be our counsel for the Board moving forward. On a motion by Board Member Lyle and seconded by Board Member Colborne, it was unanimously **VOTED** by the Board to use the outside counsel as attorney to the Board.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

Board Member Lyle stated that regarding the rent expense, he requests that we take three real estate agents, whoever the Board wishes to choose, and get a quote per square foot, so we can use that as a basis. Board Member McLaughlin, Jr. asked if we need to finalize the budget today. The Director stated no, he can put the projected $12,000 in the budget and if we're under then we're under. On a motion by Board Member Lyle and seconded by Board Member Colborne, it was unanimously **VOTED** by the Board to use three estate agents, for price per square footage in the downtown Melrose area.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

Board Member Lyle stated that for the budget purposes, the Board will use the $12,000 that was recommended by the Chair through the City Assessor's office. The Director asked if everyone was ok with putting $12,000 into the budget. On a motion by Board Member McLaughlin, Jr. and seconded by Board Member Colborne, it was unanimously **VOTED** by the Board to put $12,000 into the budget for rental expense paid to the City of Melrose for the use of the space. Board Member Lyle stated that he will support that as

well, but that may be adjusted depending on the numbers up or down. Board Member Colborne stated that it can be adjusted either way.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

Board Member Lyle asked if there was anything else on the audit. The Director stated yes, we need to go onto #2, which deals with RFP's in regard to procurement law when we file it with the State, which he is currently doing for legal services. He stated they are up at the end of December, so he's working on putting the RFP's up to PERAC and on a couple of other numerous websites in order to be compliant. The finding states that going forward, the Board will need to be directly involved with the process in regard to hiring our outside attorneys, in regard to which applicants are more advantageous than others, which we will be doing going forward.

On a motion by Board Member Lyle and seconded by Board Member Colborne, it was unanimously **VOTED** that the Board will be included in all RFP's.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

Board Member Lyle asked if any of the other items that were brought up or flagged during audit, were corrected? The Director stated yes, they've been corrected. The last one is the debit card. He stated PERAC noted we should not be using a debit card which is fine. He stated we can use a credit card, just not a debit card, so he will be getting rid of the debit card and possibly looking into getting a credit card. If not, he plans on paying for expenses out of pocket and getting reimbursed on the cash disbursement warrant. The Director stated we can vote to get rid of the debit card.

On a motion by Board Member Lyle and seconded by Board Member Colborne, it was unanimously **VOTED** by the Board to get rid of the debit card.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

Board Member Colborne stated that wraps of the audit findings. On the final line of the report, PERAC will follow up in 6 months to ensure appropriate actions have been taken regarding all findings. The Director stated that when he gets back from the conference, he'll be writing to PERAC, breaking down exactly what the Board voted on today, in

response to the 3 findings. Then within 6 months, they'll come back to make sure we have done what we stated.

Board Member Lyle stated that as far as the budget, we can accept the budget as amended. On a motion by Board Member Lyle and seconded by Board Member Colborne, it was unanimously **VOTED** by the Board to accept the budget as amended.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

The Director stated that he will adjust the budget and put it on next month's board meeting and the Board can sign it. On a motion by Board Member Lyle and seconded by Board Member McLaughlin, Jr., it was unanimously **VOTED** by the Board to have the Director reach out to three reputable real estate agents in the City to get a square foot number.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

Board Member Lyle stated Brad Hutchinson for example. Board Member McLaughlin, Jr. stated that John Bulman at Brad Hutchinson is probably the most active renter of Melrose space. The Director asked if we're talking about space here or outside? Board Member Lyle stated square footage for commercial space. Board Member McLaughlin, Jr. stated John Bulman at Brad Hutchinson rents a lot of the space in downtown Melrose. Board Member Lyle stated that there's a few others you can find as well.

Board Member Lyle stated that PERAC recommended we have a lease agreement with the City. On a motion by Board Member Lyle and seconded by Board Member McLaughlin, Jr., it was unanimously **VOTED** by the Board to use outside counsel to draft a lease agreement with the City. The Director asked if it should be Sacco. Board Member Lyle stated Sacco or Fabino, whichever one is the expert in that field.

Board Member Colborne asked the Director to include this item on next month's agenda, that the Board consider Patrick's position as Chairman of the Board going forward. Board Member Lyle asked to reevaluate the board as far as an election for the Chair position? Board Member Colborne stated correct. On a motion by Board Member Colborne and seconded by Board Member Lyle, it was unanimously **VOTED** by the Board to evaluate the role of Chairman at the next board meeting. Board Member McLaughlin, Jr. asked for discussion. He stated he will support putting the Chair and Vice Chair to a vote. He believes that we need to consider that we adhere to the terms of the audit, and we follow the audit instructions. From his position, he would consider the other leadership qualities

Patrick Dello Russo brings to the table and would be very interested in his comments next month as to what his role as Chair is going forward. With that in mind, he would support the motion.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

Other Business:

-To review the PRIT Fund activity for August 2022.

-Memo #23-2022: Vacation Buybacks as Regular Compensation. The Director explained he has spoken with payroll and the City has never had vacation buybacks considered regular compensation.

The date of the October meeting will be Wednesday, October 26th at 9:00 AM.
The date of the November meeting will be Wednesday, November 30th at 9:00 AM.

Board Member McLaughlin, Jr. asked if the next meeting would be in person. The Director stated that's what he wants to know going forward, are we going to do in person or Zoom. Board Member Colborne stated that he would like the option to have Zoom as well as in person. The Director stated that we can keep doing hybrid's, but if you choose that, he will have to create a public link for attendees to join Zoom too. Board Member Lyle stated that for the October meeting, should we have it in person or remote? Board Member Colborne stated he would like to have the option of having it hybrid. Board Member McLaughlin Jr. stated that if we want to come here, we can. Board Member Lyle stated that November 30th is his last day of employment, so he'll probably be remote.

On a motion made by Board Member Colborne and seconded by Board Member McLaughlin, Jr., it was unanimously **VOTED** to adjourn the meeting at 9:32 AM.

Board Member Colborne:	Yes
Board Member Lyle:	Yes
Board Member McLaughlin, Jr.:	Yes

Melrose Retirement Board Meeting
September 28, 2022

Respectfully submitted,

Executive Director

Chairman Dello Russo

Board Member Cogavin

Board Member Lyle

Board Member McLaughlin, Jr.

Board Member Colborne