



WAKEFIELD RETIREMENT BOARD

Thursday, March 15, 2018

8:00 A.M.

WILLIAM J. LEE MEMORIAL TOWN HALL

1 Lafayette Street, Wakefield, MA 01880

Second Floor Conference Room

**BOARD
MEMBERS
PRESENT:** Kevin Gill, Chair
Richard E. Smith
Richard J. DeFelice
Daniel Sherman

**ADMIN
STAFF
PRESENT:** Cathy Cheek, Executive Director
Sherri A. Dalton, Administrative
Assistant

**BOARD
MEMBERS
NOT
PRESENT:** Philip Rogers, Sr.

PUBLIC PRESENT:
Paul Todisco, PRIM Senior Client Services Officer
Peter Dion, General Manager WGMLD

----- TOPICS OF DISCUSSION -----

Call to Order Chair Kevin Gill called the meeting to order at 8:00 a.m.

PRIM Paul Todisco, PRIM Senior Client Services Officer appeared before for the Board and presented a copy of the Pension Reserves Investment Trust Fund Performance Review as of February 15, 2018. Mr. Todisco reviewed the report explaining the performance of each portfolio and other areas of interest. The report showed that the PRIT Fund for Wakefield is at 122.7 Million Dollars as of December 31, 2017.

**Wakefield
Municipal Gas
& Light
Department** Peter Dion, General Manager of the WMGLD appeared before the Board regarding the membership of Michael McCarthy. Chairman Gill stated that at the last meeting the Board members had questions regarding Michael McCarthy's position as General Counsel at the WMGLD. Daniel Sherman stated that his concern is that Mr. McCarthy has 6 or 7 years of service with the State and even though he took a refund when he left employment with the State he can still do a buyback. He also has 19 years as a Gas and Light Commissioner making \$168.00 per year. Combined he has 25 years that he can buyback for approximately \$3,000.00 to \$4,000.00 dollars. If he works an additional three years he will receive approximately an \$80,000.00 dollar pension and he will have put in approximately \$30,000.00 to \$35,000.00 dollars. For \$30,000.00 dollars of Mr. McCarthy's money that he put in he will receive a 1 million dollar to 1.1 million dollar pension which Mr. Sherman states is completely wacko compared to everyone else who works their entire career. That is a lot of money for this Town to get hit with said Mr. Sherman and he asked how many hours Mr. McCarthy is going to work. Peter Dion answered that the Gas & Light Board of Commissioners set the hours to 30 hours a week and more than likely the number of hours will go down. Richard E. Smith stated that Mr. McCarthy is getting \$50.00 per hour for 30 hours when before the WMGLD was paying him

\$12.00 per hour for 40 hours and asked why are they doing that when that amount is not the going rate for corporate council. Mr. Smith stated that is a bargain and quite frankly it stinks as Mr. Sherman had previously stated in a prior meeting and it doesn't look good for the Retirement Board, even though by law the Retirement Board has to approve Mr. McCarthy's membership in to the system. He went on to say that it compromises the Town and makes it look like a political back channel and it doesn't look good. Mr. Smith stated that he is fine with Mr. McCarthy's membership being accepted, he just isn't fine with the way he is coming in since all other employees have to come to work every day and put in years of service to get their pension. We all know this is about health insurance Mr. Smith said and it is philosophically wrong. If there was a different name attached to this, the Retirement Board would not be having this discussion. Mr. Sherman agreed with Mr. Smith. Richard J. DeFelice stated that Steve Maio did the same thing because he was on the Board of Appeals. Richard Smith said that's the law and we know it is the law and we have to vote in accordance with the law but the law is being applied by coming through the back door and everyone in the room knows exactly what this is about. Richard J. DeFelice said that the WMGLD should have in house General Counsel. Richard Smith agreed but said that if the WMGLD were paying anyone else it would be what the going rate is and not \$50.00 per hour. The Board had no further questions or comments for Peter Dion.

**Executive
Director
Contract**

Daniel Sherman stated that prior to the Board meeting he supplied the Board members with a final draft of the Executive Director's Contract and if there were no other questions he motioned to authorize the Chair to execute the Contract. Richard E. Smith seconded. Motion passed 3-1-0 with Richard J. DeFelice voting against the motion.

Daniel Sherman stated that the Board failed to vote last meeting on the longevity pay for Sherri Dalton and motioned to pay Sherri Dalton \$250.00 for longevity. Richard J. DeFelice stated that Sherri works 5 hours a week and questioned the Retirement Board paying her \$250.00 for longevity and said that it makes no sense. Mr. Sherman asked Sherri if she receives \$250.00 for longevity in her position with the Town. Sherri answered correct. Richard E. Smith commented that this is two different entities because what Sherri does for the Town has nothing to do with the Retirement Board. Daniel Sherman agreed. Mr. Smith reminded the Board members that they just gave up a million dollar pension for \$30,000.00 and questioned why they are discussing a longevity payment of \$250.00. Richard J. DeFelice questioned how much Sherri makes with the Town. Mr. Smith answered that he does not care how much Sherri makes with the Town. The Retirement Board is a separate entity, an independent Board. Mr. DeFelice stated that the Retirement Board will be giving Sherri the same benefit as an employee that works 40 hours per week. Richard E. Smith said that the Retirement Board should take care of their employees. Mr. Sherman asked Mr. Smith what he proposes. Mr. Smith said \$250.00 per year. Mr. Sherman stated that there is a motion to pay Sherri Dalton \$250.00 per year for longevity. Richard J. DeFelice seconded the motion. Motion passed 4-0-0.

**Public
Participation**

No one was present for Public Participation.

Approval of Regular Minutes – February 15, 2018	Daniel Sherman motioned to approve the February 15, 2018 Minutes as presented. Richard E. Smith seconded. Motion passed 4-0-0.
Approval of Executive Minutes – February 15, 2018	Daniel Sherman motioned to approve the February 15, 2018 Executive Minutes as presented. Richard J. DeFelice seconded. Motion passed 4-0-0.
Cash Books	The Board Members were in receipt of the Cash Reconciliation including bank statements, trial balance, Cash Receipts, Cash Disbursements, Adjusting Journal Entries and Cash Flow Forecast for the month of January 2018. Richard J. DeFelice motioned to accept as presented, the cash books and cash flow forecast for the month of January 2018. Daniel Sherman seconded. Motion passed 4-0-0.
Membership Census	<p>The Board Members were in receipt of the current membership census dated 01/01/2018 – 03/09/2018.</p> <p>Approved new member Christine M. Canavan – School – 02/26/2018</p> <p>Daniel Sherman motioned to approve the Membership Census as presented with the addition of Michael McCarthy. Richard J. DeFelice seconded. Motion passed 4-0-0.</p>
Monthly Budget – February 2018	Board Members were in receipt of the February 2018 Monthly Budget. Daniel Sherman questioned if the presented budget included the salaries that were previously approved for Cathy and Sherri. Cathy Cheek answered no. Mr. Sherman asked how many basis points were used to calculate the management fees. Cathy Cheek answered that she used 55 points on the anticipated base.
Retirement Budget – Fiscal Year 2019	<p>Daniel Sherman stated that the State gives an allocation for the Light Department based on the September 30, 2017 payroll and now with the addition of Mr. McCarthy they will be putting in a little bit more once the Board has new September 30th salaries. He is wondering about doing an actuarial basis and he will talk with Mr. Lamenzo to see if he can allocate it differently. With the addition of Michael McCarthy the actuarial basis is going to be a lot more and the WMGLD should be getting a larger portion of the bill then they are now. Richard J. DeFelice agreed that Michael McCarthy is a big expense.</p> <p>Daniel Sherman motioned to approve the Fiscal Year 2019 Retirement Budget and forward to the Board of Selectmen, Finance Committee and Town Meeting as presented. Richard J. DeFelice seconded. Motion passed 4-0-0.</p>
Annual Statement	Daniel Sherman motioned to accept and adopt the Annual Statement as presented. Richard J. DeFelice seconded. Motion passed 4-0-0.
Correspondence	PERAC Memo 12/2018 – PERACE v. CRAB & others, SJC No. 12331 (February 13, 2018)

PERAC Memo 13/2018 - Mandatory Ethics Training
PERAC Memo 14/2018 – Interest Payments in Certain Situations
Michael Sacco – Recent Decisions
The Voice – March 2018

Daniel Sherman motioned to place all correspondence on file as presented.
Richard E. Smith seconded. Motion passed 4-0-0.

**Matters Not
Anticipated
By The Chair
Within 48
Hours of
Meeting**

Richard J. DeFelice – commented about legislation being changed regarding Michael McCarthy

Cathy Cheek – reminded the Board about the COLA hearing next month; Annual Town Meeting is April 30, 2018; informed the Board that the MACRS Conference is June 3, 2018 through June 6, 2018 in Hyannis and that herself and Sherri Dalton will be attending if any Board members would also like to attend

Chair Gill – Statement of Financial Interest is due May 1, 2018; reminded Board members to do their mandatory training

**Warrant
Review and
Signing**

The Board members reviewed and signed the following Warrants: Warrant 18-2-2 in the amount of \$7,691.62; Warrant 18-2-3 in the amount of \$5,170.12; Warrant 18-2-4 in the amount of \$919,733.86; Warrant 18-3-1 in the amount of \$11,537.32; Warrant 18-3-2 in the amount of \$165,049.61

**Next Board
Meeting**

The next regular Retirement Board Meeting has been scheduled for Thursday, April 19, 2018 at 8:00 a.m.

Adjournment

Richard E. Smith motioned to adjourn at 9:23 a.m. Daniel Sherman seconded.
Motion passed 4-0-0.

Respectfully submitted,



Sherri A. Dalton
Administrative Assistant