

**CHELSEA RETIREMENT BOARD MEETING**  
**500 Broadway, Chelsea MA, Conference Room of the Chelsea City Council**  
**Minutes from the Meeting held on Thursday, October 20, 2022 at 9:00AM**

**Present Were:** Board Chairman, Mr. Joseph M. Siewko, Mr. Edward Dunn, Ms. Carolyn Russo, Ms. Cheryl Watson Fisher, and Mr. Richard Carroccino

**Also Present:** Mr. Michael Nicolazzo, Executive Director, Ms. Cindy Donarumo, Assistant Executive Director, and Mr. Brian P. Monahan, Esq., Board Counsel

At 9:06 AM Chairman Siewko called the meeting to order and all present stated their name and title.

**Chelsea Retirement System Office Relocation**

Chairman Siewko described the office space that was being considered for the Retirement System's relocation. Chairman Siewko noted that he had toured the space and that he believes that the space would be ideal for the Retirement System's needs. Chairman Siewko continued that the real estate agency he has been working with has provided the Retirement System with a Letter of Intent (LOI) and that he had signed the LOI to initiate lease agreement negotiations. Chairman Siewko noted that after submission of the signed LOI the Retirement System received a draft lease proposal that was currently being reviewed by Attorney Monahan. Chairman Siewko noted that the proposed lease agreement term is for five years. Chairman Siewko continued that the proposed lease start date would be December 1, 2022, but noted that some renovations would need to be executed prior to the lease start date. Mr. Dunn inquired as to whether the space and the proposed renovations would provide an office space that was sufficient to ensure confidentiality when counseling members and retirees. Executive Director Nicolazzo opined that he believed that the space was sufficiently large to ensure confidentiality.

Atty. Monahan noted that Chairman Siewko and Assistant Director Donarumo had searched for alternative options, but that the space under consideration was the only option that satisfied the Retirement System's requirements. Chairman Siewko informed the Board that the real estate agent had scheduled a virtual meeting, with the property management group, to provide the opportunity for the Retirement System to make specific inquiries about the space, including the logistics of the proposed renovations and the anticipated timeline. Atty. Monahan opined that the current lease proposal has some errors that also needed to be addressed. Atty. Monahan noted that the lease is "triple net," but that the lease proposal did not provide concrete figures for some of the anticipated costs. Atty. Monahan continued that he had performed some comparative analysis and that the lease proposal appears to be commensurate with other currently available commercial office space real estate.

Mr. Dunn inquired as to whether Executive Director Nicolazzo had discussed the coming relocation with City Information Technology (IT) personnel. Executive Director Nicolazzo noted that he was hopeful to meet with City IT personnel in the near future to discuss the logistics of the coming relocation. Mr. Dunn expressed concern about the transfer of member payroll deduction files, which contain sensitive information that must be protected. Ms. Russo suggested that flash drives could be utilized to transfer sensitive information. Executive Director Nicolazzo agreed that this would be a feasible solution until a more efficient and secure alternative could be identified. Mr. Dunn identified procedures that are currently utilized by the City to mitigate risk associated with the transfer of sensitive information. Executive Director Nicolazzo concurred that the City's approach to securing sensitive information was similar to the environment that we are hoping to replicate upon relocation.

Ms. Russo informed the other Board Members and Retirement System staff that PERAC had recently released a report detailing the events surrounding the theft of \$3.5 million from the Quincy Retirement System. Ms. Russo requested that Executive Director Nicolazzo distribute this report to the other Board Members for their review. Ms. Russo noted that controls at the board-level, the City of Quincy's IT

RECEIVED  
 CITY CLERK'S OFFICE  
 CHELSEA, MA  
 2022 FEB - 3 A 10:41

Department, the Retirement System's custody bank, and the investment company involved had all failed to prevent the fraudulent transaction from occurring. Mr. Dunn noted that multiple attempts to redirect City employees' direct deposits, similar to attempts at the Massachusetts Water Resources Authority identified by Ms. Russo at the September 15, 2022 Board Meeting, had occurred recently. Mr. Dunn continued that the City's internal control of dual authentication had thwarted the attempts. Executive Director Nicolazzo noted that all direct deposit change requests had to be submitted via mail and that any change requests had to be authenticated, via dual authentication and conformational verification processes, prior to implementation.

Chairman Siewko continued that when he toured the space, the current tenant identified some furniture that they were hopeful that the Retirement System might be interested in purchasing. Chairman Siewko noted that the current tenant identified a desk that would be ideal as a front desk for the Retirement System. The current occupant provided Chairman Siewko with a price of \$250 for the desk. Chairman Siewko noted that this price appears to be considerably lower than fair market value and that, if the Retirement System does retain this office space, Chairman Siewko is hopeful to purchase this desk from the current occupant. Mr. Dunn inquired as to whether the furniture currently in the Retirement Office is owned by the Retirement System and whether that furniture would be suitable for the new location. Chairman Siewko noted that the furniture is owned by the Retirement System, but that the current desks are not suitable for the new location. Executive Director Nicolazzo concurred that the current desks are inflexible workstations that would likely be functionally deficient in the proposed office space.

#### **Review of Draft Employment Policies**

Mr. Dunn noted that he had recently had the opportunity to review the draft employment policies and provided his feedback to Executive Director Nicolazzo. Attorney Monahan inquired as to the status of the City's employment policy revisions. Ms. Fisher informed the Board that the City was working on revising their employment policies. Atty. Monahan noted that the Retirement System is not obligated to comply with the City's employment policies but that he was hopeful to review the City's finalized policies prior finalizing the Retirement System's.

#### **Maureen Denning Request for Payment Plan**

Chairman Siewko opened the discussion by inquiring as to whether Ms. Denning had submitted documentation to establish a hardship to allow for the Retirement Board to approve a five-year repayment plan of the overpayment of Ms. Denning's benefits. Executive Director Nicolazzo informed the Board that Ms. Denning has requested that that the Retirement Board approve a three-year repayment plan instead of a five-year plan. Mr. Dunn inquired as to what a common repayment term was. Chairman Siewko noted that repayment term is determined on a case-by-case basis and that multiple factors are considered when establishing the allowable term of a repayment plan.

9:36 AM: Ms. Russo made a motion, seconded by Mr. Dunn, to approve a three-year payment plan, consisting of monthly installments in the amount of \$84.74, for the repayment of the overpayment of Ms. Denning's retirement benefits. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea.

#### **David Belanger Liability Request from MWRA**

Note: Ms. Russo has recused herself from this matter.

Discussion ensued about the City's rules for probationary periods during the timeframe of Mr. Belanger's service. Mr. Dunn noted that, as Mr. Belanger was properly excluded from membership during the requisite probationary period, the Retirement System should accept liability based on the determination that an error had not occurred by excluding Mr. Belanger from the Retirement System during his probationary period.

9:39 AM: Ms. Fisher made a motion, seconded by Mr. Carroccino, to accept six months of liability from May 7, 2003 through November 6, 2003 for Mr. Belanger's probationary service with the City of Chelsea prior to his enrollment in the Chelsea Retirement System. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Fisher:Yea Mr. Carroccino:Yea Ms. Russo abstained.

#### **Bernadette Rich Request to Purchase Service**

Chairman Siewko requested that Executive Director Nicolazzo provide the Board Members with an update regarding Ms. Rich's request to purchase service. Executive Director Nicolazzo informed that Board that Ms. Rich had submitted sufficient documentation of her service and earnings to allow the Retirement System to invoice her for said service. Executive Director Nicolazzo noted that it was apparent that Ms. Rich had been erroneously excluded from membership. Executive Director Nicolazzo continued that it was not clear whether Ms. Rich would have been subject to a six-month probationary period upon her hire date, however. Executive Director Nicolazzo noted that if Ms. Rich would have been subjected to a probationary period, the Board should consider correcting the error by approving four years eleven months and ten days of late entry service upon receipt of the erroneously excluded contributions with corrections interest. Mr. Dunn confirmed that City employees would have been subject to a six month probationary period during the timeframe in question. Mr. Dunn continued that Ms. Rich was not erroneously excluded during the first six months of her employment and that this probationary period should be invoiced under Section 4(2)(c). Mr. Dunn inquired as to whether the Retirement System staff was able to confirm the timeframe that Ms. Rich was laid off during the period that she was erroneously excluded from membership. Executive Director Nicolazzo confirmed that documentation of Ms. Rich's layoff had been obtained and accounted for.

9:53 AM: Ms. Fisher made a motion, seconded by Mr. Dunn, to accept four years eleven months and ten days of membership service liability, from February 8, 1987 through March 28, 1993, upon proper repayment of contributions and corrections interest, and to accept six months of non-membership liability for Ms. Rich's probationary period, from August 8, 1986 through February 7, 1987, upon repayment of contributions and buyback interest. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea.

#### **Insurance Refund Process Update**

Chairman Siewko requested that Executive Director Nicolazzo provide the Board with an update about the City's response to the Retirement Board's recent determination that refunds of the overpayment of insurances to retirees should be administrated by the City and not processed through the Retirement System's payroll. Executive Director Nicolazzo informed the Board that City Human Resources (HR) had initially requested to attend the October Retirement Board Meeting, but that prior to the Board Meeting, HR informed the Retirement System that they would like to review refund procedure guidance that they had recently received from City Audit staff prior to attending a Board Meeting. Mr. Dunn requested that Executive Director Nicolazzo provide the Retirement Board Members with a copy of said policy for discussion at the November Retirement Board Meeting.

9:56 AM: Ms. Fisher made a motion, seconded by Ms. Russo, to table this item until City HR and the Retirement Board had the opportunity to review the refund procedure guidance. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea.

#### **Carlos Figueroa Workers' Compensation Settlement**

Discussion ensued regarding Mr. Figueroa's Workers' Compensation settlement agreement and how the Retirement System's portion of said settlement was determined. Ms. Russo confirmed that the 20% of the gross settlement amount payable to Chelsea Retirement System is consistent with our regulations.

9:58 AM: Ms. Fisher made a motion, seconded by Ms. Russo, to acknowledge Mr. Figueroa's Workers' Compensation settlement agreement and the \$8,000 payable to the Chelsea Retirement System. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea.

**Renate Cowhig's Application for Disability Retirement**

Executive Director Nicolazzo informed the Board that Ms. Cowhig's attorney had recently contacted the Retirement System to confirm that he was working with Ms. Cowhig to produce a list of testimonial witnesses for an evidentiary hearing.

**Augustus Casucci Jr.'s Application for Disability Retirement**

Executive Director Nicolazzo informed the Board Members that all available documentation of Mr. Casucci Jr's pre-employment physicals had been provided to the Board and that Mr. Casucci Jr's application has been ascended to PERAC to schedule a Medical Panel.

**Approval of the Regular Session Minutes of the July 21, 2022, August 18, 2022, and September 15, 2022 Retirement Board meetings**

Mr. Dunn noted that his requested changes to the July 21, 2022 minutes had been sufficiently addressed.

10:02 AM: Ms. Fisher made a motion, seconded by Mr. Carroccino, to approve the Regular Session Minutes of July 21, 2022. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea.

Mr. Dunn noted that his requested changes to the August 18, 2022 minutes had been sufficiently addressed.

10:03 AM: Ms. Fisher made a motion, seconded by Mr. Dunn, to approve the Regular Session Minutes of August 18, 2022. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea.

Mr. Dunn noted multiple minor issues that must be addressed prior to approval of the September 15, 2022 minutes.

10:05 AM: Ms. Fisher made a motion, seconded by Mr. Carroccino, to approve the Regular Session Minutes of September 15, 2022, as amended. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea.

**Approval of the Executive Session Minutes of the September 15, 2022 Retirement Board meeting**

Mr. Dunn noted that the date of the September 15, 2022 meeting minutes needed to be corrected.

10:05 AM: Ms. Fisher made a motion, seconded by Mr. Carroccino, to approve the Executive Session Minutes of September 15, 2022, as amended. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea.

**New Retirements**

The following member has submitted an application for voluntary superannuation retirement benefits pursuant to M.G.L. c. 32 §5:

Name/Title/Group	DOR	Age	Years of Service	Estimated 3/5 Yr. Average
Carmen I. Bermudez/Principal Clerk/1	12/31/2022	67	20.4167	\$ 52,164.81 (3)
Paul G. Casino/Clerk/1	12/30/2022	79	47.1667	\$ 35,606.22 (3)
Brian A. Kyes/Chief of Police/4	10/07/2022	58	35.0833	\$ 237,152.96 (3)
Michael C. Nadworny/Electrical Inspector/1	12/31/2022	74	23.6667	\$ 101,455.22 (3)

10:10 AM: Ms. Fisher made a motion, seconded by Mr. Carroccino, to approve the above-listed superannuation retirements. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea.

**Refund/Transfer Warrant**

The following Retirement Systems have requested the transfer of funds for the following members:

Name/Title/Group	Board Requesting Transfer	Accumulated Deductions	Total Service Credit / 3(8)c Liability	10/12 Month Basis
Darryl J. Sarno/Para/1	Malden	\$ 1,588.22	0.4167	12
Christina Boudreau/Para/1	Clinton	\$ 326.78	0.0833	12
Siliva V. Mendoza/Para/1	Haverhill	\$ 7,714.74	3.0000	12

10:13 AM: Ms. Russo made a motion, seconded by Mr. Carroccino, to approve the above-listed transfers. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea.

The following members have requested a refund of their accumulated deductions:

Name/Title/Group	Accumulated Deductions	Age	Service Credit	Taxes Withheld
Anthony Arias Sorto/Para/1	\$ 1,472.51	29	0.4167	Yes
Derek Eruzione/Para/1	\$ 7,395.51	28	2.5833	Yes

10:15 AM: Ms. Fisher made a motion, seconded by Ms. Russo, to approve the above-listed refunds. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea.

**Attorney's Report:**

Attorney Monahan informed the Board that Mr. Michael McLaughlin has filed a petition to review the Retirement Board's Section 15 proceedings and decision. Atty. Monahan informed the Board that he had filed a motion to strike pleadings in Mr. McLaughlin's complaint as Atty. Monahan is hopeful that the Court will disregard impertinent and immaterial considerations contained within Mr. McLaughlin's petition. Atty. Monahan noted that hearings are now being conducted in person. Atty. Monahan continued that he was hopeful that a hearing will occur on November 23, 2022.

**Executive Director's Report:**

Executive Director Nicolazzo informed the Board that approximately 70% of the affidavits, which were mailed on September 1, 2022, had been returned. Executive Director Nicolazzo noted that a second mailing would be mailed to retirees on November 1, 2022.

**Other Matters:**

**October 2022 Cash Disbursements Warrant approved**

**Retiree payroll and Staff payroll approved**

**Distribution of:**

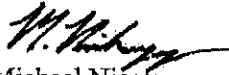
- PERAC – GASB Exhibits
- PERAC Memo #23 of 2022 – Vacation Buybacks as Regular Compensation
- PERAC Memo #24 of 2022 – Mandatory Retirement Board Member Training
- PERAC Memo #25 of 2022 – Tobacco Company List

**Motion to Adjourn:**

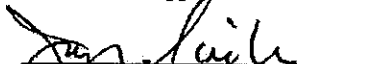
10:30 AM: Ms. Fisher made a motion, seconded by Ms. Russo, to adjourn. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea.


The meeting Adjourned at 10:30 AM.

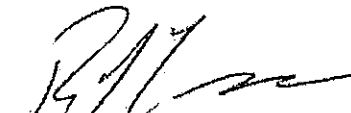
Respectfully submitted,


  
 Michael Nicolazzo  
 Executive Director


**Members' Approval:**

  
 Joseph M. Siewko, Chairman

  
 Edward M. Dunn, Ex Officio

  
 Richard Carroccino

  
 Carolyn M. Russo

  
 Cheryl Watson Fisher