

## CHELSEA RETIREMENT BOARD MEETING

90 Everett Ave, Suite 5, Chelsea, MA

Minutes from the Meeting held on Thursday, March 16, 2023 at 9:10 AM

Present Were: Board Chairman, Mr. Joseph M. Siewko, Mr. Edward Dunn, Ms. Carolyn Russo, Ms. Cheryl Watson Fisher (present from 9:16 AM – 11:12 AM), and Mr. Richard Carroccino.

Also Present: Mr. Michael Nicolazzo, Executive Director, Ms. Cindy Donarumo, Assistant Executive Director, Mr. Brian P. Monahan, Esq., Board Counsel, Mr. Mike Covell (present from 9:34 AM - 10:05 AM), Mr. Brian Rota (9:34 AM – 10:05 AM), Mr. Carl Cameron (attended remotely from 9:34 AM – 10:05 AM), Mr. Joe Pepin (attended remotely from 10:07 AM - 10:28 AM), and Mr. George Sharis (attended remotely from 10:35 AM – 10:58 AM).

At 9:16 AM Chairman Siewko called the meeting to order and all present stated their name and title.

#### Pensionability of Out of Grade Compensation

Chairman Siewko opened discussions by requesting that Atty. Monahan provide the Board with an update regarding a recent DALA Decision- *Jeffrey Dudley v. Leominster Retirement Board* (Docket Nos. CR-18-0627; CR-19-0039) - related to compensation for out of grade performances. Mr. Dunn opined that the specifics of the *Dudley* case might not be applicable to all out of grade compensation. Atty. Monahan concurred that the *Dudley* decision is nuanced, but opined that, in light of the decision, compensation received for out of grade performances should not be considered regular compensation. Atty. Monahan opined that compensation received for out of grade performances is temporary by nature and continued that all salary enhancements or augmentations which recur for a limited or definite term are explicitly excluded as “wages” in CMR 15.03(f). Atty. Monahan noted that retirement boards do have some discretion in classifying regular compensation, but that boards must enforce the specified exclusionary aspects identified in CMR 15.03(f). Ms. Russo noted that out of grade compensation is often stipulated in employment contracts and noted that in the past PERAC has specifically opined that compensation for certain temporary positions should, in fact, be considered regular compensation, as these temporary positions may eventually become permanent. Atty. Monahan noted that the opinion Ms. Russo referenced is a direct contravention to CMR 15.03(f) and that collective bargaining agreements do not supersede Chapter 32. Ms. Fisher noted that determining that compensation for out of grade performances would not qualify as regular compensation would result in a reluctance for individuals to accept out of grade positions. Chairman Siewko concurred that excluding out of grade wages as regular compensation would disincentivize employees from accepting out of grade roles. Atty. Monahan opined that, if the Board determines that out of grade compensation should not qualify as regular, a technical advisory opinion from PERAC should be requested to ensure that CRS has adequate assurance that such compensation can be considered regular.

9:32 AM: Ms. Russo made a motion, seconded by Ms. Fisher, request technical advisory from PERAC to determine if out of grade compensation should be considered regular compensation. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea.

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9:33 AM: Ms. Russo made a motion, seconded by Ms. Fisher, to take agenda items out of order. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea.

9:34 AM: Mr. Mike Covell and Mr. Brian Rota entered the meeting. Mr. Carl Cameron joined the meeting remotely.

**Retirement System Relocation: IT Services Interviews**

Mr. Mike Covell, Mr. Brian Rota, and Mr. Carl Cameron, of Advizex Technologies, LLC. (Advizex), presented to the Board about the specifics and the merits of the proposal submitted by Advizex. Mr. Dunn inquired about Advizex's Help Desk and about the anticipated response times that could be expected if CRS were to contract with Advizex. Mr. Cameron noted that response times are determined by the criticality of the issue. Mr. Dunn inquired as to who determines the level of criticality. Mr. Cameron responded that the end-user determines the level of criticality. Ms. Russo noted that many retirement systems have been the targets of cyber-attacks recently and inquired about Advizex's process to help mitigate the risk of such attacks. Both Mr. Mike Covell and Mr. Brian Rota noted the effectiveness of the endpoint security that Advizex would implement. Mr. Covell touted Advizex's experience noted that Advizex has been on the Statewide Contract for over twenty years.

10:05 AM: Mr. Mike Covell, Mr. Brian Rota and Mr. Carl Cameron left the meeting.

10:07 AM: Mr. Joe Pepin of Computer Technologies Group, LLC. (CTG) joined the meeting remotely.

Mr. Joe Pepin presented to the Board about the specifics and the merits of the proposal submitted by CTG. Mr. Nicolazzo inquired as to the number of staff that CTG employs and about the anticipated response-times to service requests. Mr. Pepin informed the Board that CTG currently has a staff of three employees. Mr. Pepin continued that CTG has been attempting to hire an additional employee, but that CTG has not been able to do so. Mr. Pepin noted that turnaround on requests is based on the level of criticality. Mr. Pepin continued that in a crisis situation technicians would be made available within a few hours of a request. Mr. Pepin noted that a CTG staff member is always available in their office. Mr. Pepin noted that if a phone call is not answered immediately, CTG's clients can expect a callback in under ten minutes. Ms. Fisher inquired as to whether CTG has any prior experience working with municipal institutions. Mr. Pepin confirmed that CTG services the Town of Marion.

10:28 AM: Mr. Joe Pepin Left the meeting.

10:33 AM: Mr. George Sharis of NCG Office Systems, Inc. (NCG) joined the meeting remotely.

Mr. George Sharis presented about the specifics and the merits of the proposal submitted by NCG. Mr. Nicolazzo inquired as to the number of staff that NCG employs and about the anticipated response-times to service requests. Mr. Sharis noted that NCG currently has a staff of seven employees. Chairman Siewko noted that NCG's proposal identified that NCG currently services multiple municipal retirement systems and inquired as to the length of time that NCG has serviced such clients. Mr. Sharis indicated that he has been working with municipal retirement systems since started his business approximately twenty years ago.

10:53 AM: Mr. George Sharis left the meeting.

Discussion ensued about the merits of the three proposals. Ms. Fisher noted that she is concerned about the size of CTG's operation, as she does not think they have enough staff to ensure adequate services. Ms. Fisher continued that she thinks that checking the references of the prospective IT service providers should be a top priority. Ms. Russo concurred with Ms. Fisher that the size of CTG is not sufficient and that information provided by references would be a critical factor in making a final selection.

11:00 AM: Ms. Russo made a motion, seconded by Ms. Fisher, to reject CTG's proposal and to authorize Mr. Nicolazzo to contact references for both Advizex and NCG. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea.

**Thomas Dunn Request to Purchase Refunded Service Under M.G.L. c. 32 § 3(6)(c)**

Mr. Edward Dunn recused himself from this matter.

Chairman Siewko requested that Mr. Nicolazzo provide the Board with information about Mr. Thomas Dunn's request to purchase his refunded service. Mr. Nicolazzo noted that Mr. Dunn had taken a refund of his retirement contributions, but was reemployed in the same position within two years of his separation from service. Mr. Nicolazzo continued that, as such, Mr. Thomas Dunn would be obligated to remit interest on his refunded contributions from the date of his refund through the date of his reemployment.

11:04 AM: Ms. Russo made a motion, seconded by Ms. Fisher, to approve Mr. Thomas Dunn's purchase of refunded service under M.G.L. c. 32 § 3(6)(c). Chairman Siewko:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea. Mr. Dunn: Abstained, as he has recused himself from this matter.

**Approval of the Regular Session Minutes of the February 16, 2023 Retirement Board Meeting**

Ms. Russo requested multiple formatting changes.

11:06 AM: Ms. Fisher made a motion, seconded by Ms. Russo, to approve the Regular Session Minutes of February 16, 2023 Retirement Board meeting as amended. The votes were as follows: Chairman Siewko:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea. Mr. Dunn: Abstained, as he was absent from the February 16, 2023 meeting.

**Approval of the Executive Session Minutes of the February 16, 2023 Retirement Board Meeting**

Ms. Russo requested multiple formatting changes.

11:07 AM: Ms. Russo made a motion, seconded by Mr. Carroccino, to approve the Executive Session Minutes of February 16, 2023 Retirement Board meeting. The votes were as follows: Chairman Siewko:Yea Ms. Russo:Yea Mr. Carroccino:Yea. Mr. Dunn: Abstained, as he was absent from the February 16, 2023 meeting. Ms. Fisher: Abstained, as she was not present during the February 16, 2023 Executive Session.

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MARCH 16, 2023

**New Retirements:**

The following members have 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
Ana Barahona/Paraprofessional/1	01/27/2023	69	29.3333	\$ 39,642.38 (3)
Richard Bellomo/Patrolman/4	03/10/2023	58	34.4167	\$ 72,155.93 (3)
Jose Ramos/Patrolman/4	05/31/2023	54	30.3333	\$ 80,493.67 (3)

11:10 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.

**Option B Refunds:**

The following beneficiaries of Superannuation Option B retirees have requested refunds of the listed retirees' remaining annuity balance in accordance with M.G.L. c. 32 § 11(2)(b):

Retiree/Date of Death	Remaining Annuity Balance	Beneficiaries	Proportion to be paid to beneficiary	Taxes Withheld
Catherine Lanzillo/February 10, 2023	\$28,249.62	Robert Lanzillo	100%	Yes
Ifeta Pekmez/December 20, 2022	\$ 21,347.66	Ajla Rovcanin Jasmin Pekmez Neira Pekmez	33 1/3% 33 1/3% 33 1/3%	Yes Yes Yes

11:12 AM: Ms. Fisher made a motion, seconded by Mr. Carroccino, to approve the above-listed Option B refunds. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Ms. Fisher:Yea Mr. Carroccino:Yea.

11:12 AM Ms. Fisher left the meeting.

**Annuity Account Refunds:**

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

Name/Title/Group	Accumulated Deductions	Age	Service Credit	Taxes Withheld
Alexandra Carlino/Interpreter/1	\$ 1,550.91	31	0.5833	Yes
Alea Fernandez Mejia/Family Liaison/1	\$ 8,158.36	49	1.5000	Yes
Paula Squadrito/Clerk/1	\$ 1,169.08	52	0.1667	Yes

11:13 AM: Ms. Russo made a motion, seconded by Mr. Carroccino, to approve the above-listed annuity account refunds. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Mr. Carroccino:Yea Ms. Fisher: Absent.

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**Partial Refunds:**

The following members will be refunded as follows:

Name/Title/Group	Gross Refund Due	Reason	Taxes Withheld
Albert Ewing/Executive Director CHA/1	714.80	Contributions withheld from earnings that could not be used in final calculation due to anti-spiking provisions	Yes
Paul Casino/Clerk/1	35.17	Contributions withheld from earnings that could not be used in final calculation due to anti-spiking provisions	Yes
Michael Nadworny/Electrical Inspector/1	706.69	Retirement contributions withheld from un pensionable compensation for car allowance	Yes

Mr. Nicolazzo noted that he did not remove Mr. Casino and Mr. Nadworny's partial refunds from the agenda, as he was unsure whether these refunds needed to be specifically denied by the Board. Mr. Nicolazzo reiterated that Mr. Casino's wages did not violate anti-spiking after the reallocation of longevity compensation. Mr. Nicolazzo continued that Nadworny's car allowance wages were received prior to pension reform and that he had received confirmation from Mr. Dunn that these wages should be included as regular compensation. Ms. Russo informed Mr. Nicolazzo that the Board did not need to specifically deny these partial refunds but that it should be noted for the record why these refunds were not executed.

11:16 AM: Ms. Russo made a motion, seconded by Mr. Carroccino, to approve Mr. Albert Ewing's refund of contributions withheld from compensation that could not be used in final calculation due to anti-spiking provisions. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Mr. Carroccino:Yea. Ms. Fisher: Absent.

**Attorney's Report:**

Atty. Monahan noted that he is concerned that the Retirement System has not yet received the requested prospective witness summaries and prospective hearing dates from Atty. Akashian, regarding Renate Cowhig's ADR application, which were requested at the February 19, 2023 Board Meeting. Ms. Russo noted that Mr. Akashian had indicated that he would provide the requested information within two weeks of the February Meeting. Atty. Monahan requested that Mr. Nicolazzo contact Atty. Akashian to inquire about the delay.

**Executive Director's Report:**

Mr. Nicolazzo noted that he is working to address the backlog that resulted from the relocation process.

**Other Matters:**

**February 2023 Cash Disbursements Warrant approved**

**Retiree payroll and Staff payroll approved**

**Distribution of:**

- July 2022 Cashbooks
- July 2022 Reconciliation and Bank Statement
- August 2022 Cashbooks
- August 2022 Reconciliation and Bank Statement
- September 2022 Cashbooks
- September 2022 Reconciliation and Bank Statement

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- PERAC Memo #9 of 2023

**Motion to Adjourn:**

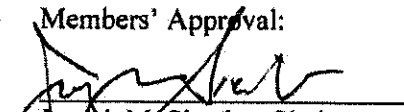
11:26 AM: Mr. Carroccino made a motion, seconded by Ms. Russo, to adjourn. The votes were as follows: Chairman Siewko:Yea Mr. Dunn:Yea Ms. Russo:Yea Mr. Carroccino:Yea. Ms. Fisher: Absent.

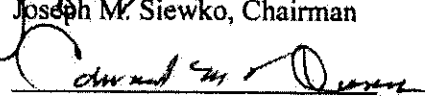
The meeting Adjourned at 11:26 AM.

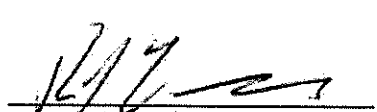
Respectfully submitted,


  
 Michael Nicolazzo  
 Executive Director

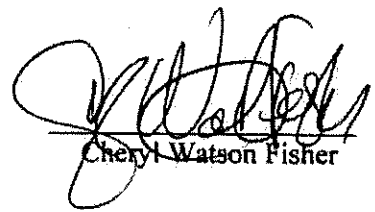
**Members' Approval:**

  
 Joseph M. Siewko, Chairman

  
 Edward M. Dunn, Ex Officio

  
 Richard Carroccino

  
 Carolyn M. Russo

  
 Cheryl Watson Fisher

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 WILMINGTON, MA