

SALEM RETIREMENT BOARD
OPEN SESSION MEETING MINUTES
FEBRUARY 3, 2015
(ORIGINALLY SCHEDULED FOR JANUARY 28, 2015)
12:00 P.M.

I. Regular Matters of Business

This meeting was originally scheduled for January 28, 2015, but was rescheduled due to a snow emergency. In attendance at this regular meeting of the Salem Retirement Board (“the Board”) were Chairman Sarah M. Hayes, John H. Burke, Jr., Kimberley L. Driscoll, Robert T. Lutts, and Sarah A. Stanton.

Also in attendance: Executive Director Paul Findlen.

The meeting was called to order at approximately 12:00 p.m.

The minutes of the previous Board meeting, held on December 17, 2014, were reviewed and, on a motion made by Mr. Lutts and seconded by Mr. Burke, the Board voted 4-0 to approve the December meeting minutes as submitted.

The warrants for the month of December were reviewed and, on a motion made by Mr. Lutts and seconded by Mr. Burke, the Board voted 4-0 to acknowledge the December warrants as submitted.

The warrants for the month of January were reviewed and, on a motion made by Mr. Lutts and seconded by Ms. Stanton, the Board voted 4-0 to approve the January warrants as submitted.

All retirements for the month of January were formally acknowledged, and on a motion made by Ms. Stanton and seconded by Mr. Lutts, the Board voted 4-0 to acknowledge the January retirements as submitted.

All recent new enrollments were formally acknowledged, and on a motion made by Mr. Lutts and seconded by Mr. Burke, the Board voted 4-0 to acknowledge the new enrollments as submitted.

II. Treasurer’s Report

In the absence of Board Treasurer, Kathleen McMahan, Mr. Findlen presented a comprehensive report on the monthly reconciliation performed by the Treasurer on behalf of the Board. The Board reviewed the reconciliation report for the month of January. On a motion made by Mr. Lutts and seconded by Mr. Burke, the Board voted 4-0 to accept the Treasurer’s Report.

III. Executive Director’s Report

Mr. Findlen presented the Board with a report on all cash receipts for the month of December for the Board’s review, as well as a trial balance through the month of November. Mr. Findlen informed the Board that he would be making a number of year end entries in the coming weeks, and is hoping to have a trial balance through the month of December available for the Board’s review as soon as possible. Mr. Findlen reported that the PRIT Fund experienced some positive

growth for the month of December, finishing the year with a calendar year return of 8.15%. Mr. Findlen noted that, while the market value of the growth could differ from the actuarial value, the 8.15% growth was a good sign, in terms of the Board meeting its 7.75% expected rate of return. Mr. Findlen also presented the Board with a quarterly budget report for the fourth quarter of 2014. As expected, management fees came in over budget, while all other administrative expenses came in under the 2014 budgeted amount.

(Ms. Driscoll entered the meeting at approximately 12:33 p.m.)

IV. PERAC Memos

The Board reviewed PERAC memos #1, #2, #3, #4, #5, #6, and #7. Mr. Findlen spoke briefly about each memo and their relevance to the SCRB.

V. Executive Session

A motion was made by Mr. Lutts, seconded by Mr. Burke, to enter into Executive Session in order to approve the executive session meeting minutes from the Board's meeting of December 17, 2014. On roll call, the vote was as follows:

VOTED:	John H. Burke, Jr.	Yes
	Kimberley L. Driscoll	Yes
	Robert T. Lutts	Yes
	Sarah A. Stanton	Yes
	Chairman Sarah M. Hayes	Yes

At approximately 12:40 p.m., the Board went into Executive Session. The Chairman stated that the Board would return to Open Session.

At approximately 12:41 p.m., the Board reconvened in Open Session.

VI. Old Business

There were no old business matters that required the Board's attention.

VII. New Business

Mr. Findlen updated the Board on the ongoing conversation between Board Counsel Tom Gibson, on behalf of the SCRB, and PERAC regarding PERAC's requirement for the SCRB to maintain a custodial relationship with State Street Bank. In light of the recent termination of the Fidelity Real Estate Growth Fund II, as well as State Street's decision to relocate many of their operations to Kansas City, MO, Attorney Gibson will be petitioning PERAC to revisit a supplementary regulation, originally drafted in 2012, which would allow the SCRB to dissolve its relationship with State Street. On a motion made by Ms. Driscoll and seconded by Mr. Lutts, the Board voted 5-0 to terminate its relationship with State Street, subject to PERAC's approval.

On a motion made by Mr. Lutts and seconded by Ms. Driscoll, the Board voted 5-0 to adjourn the meeting at 12:57 p.m.

Next meeting of the Board scheduled for Wednesday, February 25, 2015, at 12:00 p.m.

Sarah M. Hayes, Chairman

John H. Burke, Jr.

Kimberley L. Driscoll

Robert T. Lutts

Sarah A. Stanton