

SAUGUS RETIREMENT BOARD MEETING
January 18, 2018

The regular meeting of the Saugus Retirement Board duly posted to be held in the Town Hall Annex, 25R Main St, Saugus, MA on the above date was called to order at 12:16 p.m. by Chairman Cross, with Board Members Decareau, DiBari, Gannon and Matarazzo present.

In addition, present at this meeting were Board Attorney Michael Sacco and Ann Quinlan SRB Administrator. Dahab Representatives: Seth Lynn and Greg McNeillie, FIA Representatives: Anthony Tranghese and Christopher Kachmar, Wainwright Representatives: Michael Dwyer, Jeffrey Fabrizio and Gus Aristizabal.

Items for Discussion

Attorney Sacco wanted to remind the Board that his contract with the Board is expiring on December 31, 2018. An email was sent to the Board in December from his officer notifying the Board of this issue and that an RFP is required in the process.

There are four IT service proposals within the Board's monthly packet, which they received in advance of the meeting to review. The proposals are from the following companies: Axis Computer Network, Balsam Technologies, Global Data Systems and Hub Tech. The proposals vary between blocks of time purchase for service or a monthly fee along with having back up to the cloud only or a server and cloud. Therefore, the price range for IT service varies tremendously. There was a brief discussion among the Board members of the specific needs of the Office to run securely. Board Member Matarazzo made a motion, seconded by Board Member Decareau and passed 5-0 to hire Axis Computer Network for IT Services. Chairman Cross will sign the agreement and a check will be cut to start to purchase the necessary equipment needed. All parties involved will be notified of the Board's decision.

The Chairman brought the Board up to date on the Employee Benefits as he was notified by the Town Manager there may be an issue with eligibility for benefits for the Office staff now that the Board has its own EIN. The Chairman contacted several other Retirement Board's in the area that have their own EIN and remain on the Town's insurance benefits. Some of the Towns have GIC and others have Blue Cross through MIAA. More research will be completed and the Town Manager will give due notice should the staff no longer be eligible. This was previously discussed with the Town but no issue ever arose. The Board will be kept informed of any action that is needed.

The Board was presented with an estimated budget but without knowing whom the Board will chose for an Investment Counselor it is unclear if the budget is accurate. The Board can vote later to revise the budget if needed. It was suggested to wait until the next meeting to discuss the budget further.

RFP Interviews

At 1:00pm, the Board welcomed Michael Dwyer, Jeffrey Fabrizio and Gus Aristizabal from Wainwright Investment Counsel, LLC. Each of the Wainwright representatives spoke regarding why they are a good fit for the Saugus Retirement System. Mr. Dwyer and Mr. Fabrizio will be the direct contact. They are a small company for employees but have \$33 Billion they manage. Their Company has fifty percent ownership by Employees. They currently represent five Massachusetts Pension Funds and the other Boards they have served have out beat PERAC's returns. They have approximately 20% of their portfolio as Pension Funds as they believe they can give exceptional service when they keep this number small. When asked about the model they would use for Saugus, Mr. Dwyer spoke about determining what was best for Saugus and the goals/needs the Board has set forth. Keeping the Board educated on why they chose to invest in one company vs the other so

they understand the market. They want to help the Board achieve their goal of being fully funded. They have a more traditional consulting approach where they establish an asset allocation and search out investment managers for various investments like large cap, small cap etc. The Chairman and Board Members thanked the men for their presentation and will contact them regardless of the outcome of the Board's vote.

At 2:25pm, the Board welcomed Seth Lynn and Greg McNeillie from Dahab Associates. Each of the men spoke regarding why they felt Dahab would be a good fit for the Saugus Retirement System. They have been serving public funds for 31 years. They have over 80 clients of which 55 are public funds. They are independently owned by Employees and keep the staff numbers low for direct contact with clients. They individualize each system based upon the Board's goal and objectives, which is to becoming fully funded and stable. When asked about the model they would use for Saugus, they propose an actuarially based asset allocation vs the market cycle based asset allocation that Saugus is within currently. A long-term strategy which is logic based will assist the Board in reaching stable results and establish a baseline. The Chairman and Board Members thanked the men for their presentation and will contact them regardless of the outcome of the Board's vote.

At 3:00pm, the Board welcomed Anthony Tranghese and Chris Kachmar from Fiduciary Investment Advisors. Each spoke regarding why they felt FIA would be a good fit for the Saugus Retirement System. There are fourteen owners as the Company is employee owned. Mr. Tranghese would be the contact person. They represent nine Massachusetts Pension Systems of which Stoneham is one. They have a full service team approach knowing the clients systems and needs. The consultant to client ratio is 15-20 relationships per consultant. When asked about the model they would use for Saugus, they would work with the Board to determine the risk vs return for what the Board is comfortable with in order to achieve the goal of the Board, which is to be fully funded and stable. There are three options to consider, PRIT only, OCIO platform and an Open Architecture consulting. Combinations of these portfolio structures are also possible and may be the most appropriate option. The Chairman and Board members thanked the men for their presentation and will contact them regardless of the outcome of the Board's vote.

The fee proposals were opened and presented to the Board for review. There was a brief discussion clarifying the OCIO and Open Architecture structures. OCIO model hires a manager (Russell or SEI) and the manager does the RFP's for hiring investors. The Open Architecture is Consultant chooses the asset allocation and the Board does the RFP's for hiring investors based upon the Consultants suggestions. The Board Members will review the information presented today and plan on voting at the January 23 meeting unless there are any further questions or concerns for any of the presenters today.

Copies of the following were included for review and/or discussion:

- Dahab RFP
- Fiduciary Investment RFP
- Wainwright RFP

The next meeting is scheduled for January 23, 2018 at 8:30a.m.

Executive Session - None

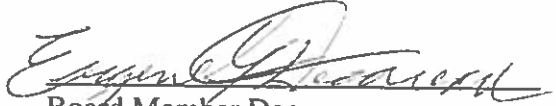
Adjournment of Open Meeting

There being no further business to come before the Board, at 4:18 p.m., a motion was made by Board Member Gannon and seconded by Board Member DiBari, and voted unanimously in favor of adjourning the Open Meeting.

APPROVED BOARD OF RETIREMENT:



Chairman Cross



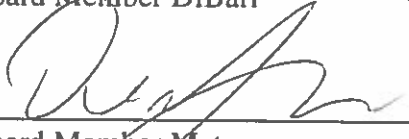
Board Member Decareau



Board Member DiBari



Board Member Gannon



Board Member Matarazzo



Board Administrator