

SAUGUS RETIREMENT BOARD MEETING
April 24, 2018

The regular meeting of the Saugus Retirement Board duly posted to be held in the 25R Main St, Town Hall Annex, Saugus, MA on the above date was called to order at 12:00 p.m. by Chairman Cross, with Board Members Decareau, DiBari and Gannon present. Board Member Matarazzo was unable to attend but received the monthly packet of information.

In addition, present at this meeting was Board Attorney Michael Sacco, Wainwright Representatives Michael Dwyer and Jeff Fabrizio and Ann Quinlan SRB Administrator.

Minutes

- A motion was made by Board Member Decareau and seconded by Board Member Gannon to approve the March 5, 2018 and March 27, 2018 Open Meeting Minutes and sign them into the records. The Board voted 4-0 in favor.

Payments

- A motion was made by Board Member Gannon and seconded by Board Member Decareau to issue payment for Retirement Board Expense Voucher #52-62 for the month of April 2018 for \$34,854.77. The Board voted 4-0 in favor.
- A motion was made by Board Member Gannon and seconded by Board Member Decareau to issue payment for Retirement Allowance Payment and Vendor Payment Warrant for the month of April 2018 for \$648,450.25. The Board voted 4-0 in favor.
- The Board noted that \$550,000.00 was wire transferred from PRIT Investment Funds to Saugus Retirement System's bank account on 4/20/2018 (50,000.00) and 4/20/2018 (500,000.00) to cover retirement allowances and expenses for April 2018.

New Member

A motion was made by Board Member Gannon and seconded by Board Member DiBari to include for membership in the Saugus Retirement System the following new employee. The Board voted 4-0 in favor.

- Christopher Rook – Dispatcher – Date of Hire & Membership is 4/28/18 – Contribution rate is 9% +2%.
- Jessica Ward, General Assistant to Police Chief, Date of Hire & Membership is 4/23/18 – Contribution rate is 9% +2%.

Transfers Out

The Board noted that the following members had their accounts transferred to other MA Retirement Systems, as approved on this month's expense voucher:

- Theresa Peznola, Purchasing Agent, transfer to Andover Retirement Board. Saugus Retirement Board will accept 1 year and 6 months liability for her service with the Town from 9/6/16-3/31/18. She also has prorated service of 4 months for her prior partial make-up payment. Service is for 1/1/12-9/5/19, upon completion of proper buyback with the Andover Retirement System an additional 10 months of service will be credited to her account.
- Kellie Canavan, Paraprofessional, transfer to MA Teacher's Retirement Board. Saugus Retirement Board will accept 10 months liability. Service is from 8/31/16-6/30/17.
- Rachel DelSolio, Speech Language Pathology Assistant, transfer to MA Teacher's Retirement Board. Saugus Retirement Board will accept 10 months of liability. Service is from 8/29/16-6/30/17.

Deceased

The Board noted the death of the following retirees, survivors and beneficiaries:

- Robert Buontempo, spouse of Jennie Buontempo, passed away March 2, 2018. Mrs. Buontempo retired under Option C, which provided for a survivor benefit for Mr. Buontempo. Upon his predeceasing her, she is now entitled to an Option C Pop-up, which is essentially an Option A benefit. After some discussion, Board Member Gannon made a motion, seconded by Board Member Decareau and passed 4-0 to approve an Option C Pop-up to Mrs. Buontempo. A calculation will be sent to PERAC for approval and all parties involved will be informed of the Board's decision.

Retirements/Disabilities/Survivor Benefits

Retirement Board Staff have verified that the necessary paperwork is in order and has determined applicants to be eligible for such benefits:

- A motion was made by Board Member Gannon and seconded by Board Member DiBari and passed 4-0 to grant Superannuation retirements to the following:
Police Department: John Naglieri (4/30/18, 28,0000.

Items for Discussion

Mr. Dwyer and Mr. Fabrizio distributed to the Board, Attorney and Staff a presentation they prepared from the last 4 years of existing PRIT documents. The long-term goal is to reduce risk of the fund. The Board must decide if what is presented to them today is what they are looking for or if they want to take a slower approach or speed it up. Wainwright will work with the Board to determine what asset allocations are needed and how much. Mr. Fabrizio explained their philosophy on small/mid cap, emerging markets, fixed income and private equity and how this would fit for Saugus to achieve fully funding and stability.

Three options were given along with the S&P 500 to compare with them. Mix 1 is the most conservative approach and most like PRIT Fund. Mix 2 and 3 are more similar. Mix 2 is more on small caps, less fixed income and more alternatives. Mix 3 more on small cap, less fixed income, more alternatives and greater allocation to private equity which is most volatile.

There was discussion with the Board about making changes to the Mix along the way, which is done often. The proposal is to take 4 years to go through the process with taking 25% out of PRIT and putting into U.S. equity and fore fix, which might take 5 RFP's. year 2 take another 25% out and put in U.S. equity, developed international, core fixed, valued added fixed and alternative. Discussion of 2 years vs. 4 years of transitioning amongst the Board members. Board Member Gannon made a motion, seconded by Board Member Decareau and passed 4-0 to withdraw 25% each year over 4 years. Board Member Gannon made another motion, seconded by Board Member Decareau and passed 4-0 to choose portfolio Mix 2 to follow. The fees discussed in the initial RFP were agreed upon to continue with the contract. Board Member DiBari made a motion, seconded by Board Member Decareau and passed 4-0 to accept the contract as presented with the fee schedule included and agreed upon. The Chairman will sign the contract and a copy will be given to Wainwright for their records. The Board will meet again in May for more information on this matter.

Chairman Cross explained to Attorney Sacco the steps the Board has taken in order to obtain collective bargaining agreements from the Town and Town Manager. Attorney Sacco will contact the Town's Attorney Jay Sullivan about the matter and keep the Board apprised of any details.

A letter was sent to Town Manager Scott Crabtree requesting continued access to member payroll history reports through the Town's payroll system. The Retirement Board Office staff has always had access but since the Town acquired MUNIS for the payroll system access has been denied. It is a very crucial feature to have to audit, estimate and process retirements. Since access has been denied, the Accounting office is contacted for each document needed to complete every day work.

The Revere Retirement Board sent a letter to the Board pertaining to the 3(8) C reimbursement payment due for Mr. Bisignani's share of 2017. They do not believe they should pay the bill due to Mr. Bisignani's pension forfeiture. Attorney Sacco stated the payment is still due the Saugus Retirement Board as Mr. Bisignani did receive a retirement allowance in 2017. He will send a letter to the Revere Retirement Board regarding this matter.

The MACRS conference is being held in Hyannis, MA on June 3-6, 2018. All Board and Staff wanting to attend must make arrangements with the Retirement Office as soon as possible. After some discussion, Chairman Cross, Board Member Gannon and Mrs. Quinlan will be attending the conference. Board Member Gannon made a motion, seconded by Board Member Decareau and passed 4-0 to authorize them to attend the conference. Registration will be completed for this event. A copy of the Board travel regulations was distributed to follow for reimbursement purposes.

Attorney Sacco discussed one of the recent Memorandums from PERAC and his office regarding taking retirement contributions from certain pays when out on Worker's Compensation. PERAC's opinion is that retirement contributions should be taken from all pays except when a person is on worker's compensation if the member will be retiring under an Accidental Disability. Attorney Sacco's opinion is that no retirement contributions should be taken whenever a member is on worker's compensation. PERAC believes that a Board needs to take no further action unless they are contacted by a retiree to review their file for recalculation. After some discussion, the board determined there are less than a dozen members of the Saugus Retirement System and they would like to review each file now rather than wait for member to contact the Board. If an overpayment was made to a retiree, the board can correct the error but not demand the repayment of erroneous allowance. If money is owed to a retiree, the board can correct the error and pay retroactively the erroneous amount with interest.

Attorney Sacco stated that one of the retirees affected is the Board Administrator's husband and to not have any question of conflict he would review the file for the Board. Board Member Decareau made the motion, seconded by Board Member Gannon and passed 4-0 to have Attorney Sacco review Mr. Quinlan's accidental disability retirement allowance and report back to the Board if any benefit change is needed. All other accidental disability retirees will be reviewed by the Retirement Board Staff. Once completed, the Board will be notified of the results.

Miscellaneous

- Injury and status reports were submitted to the Board for review for Matthew Vecchio and Richard Wells, members of the Saugus Police Department.
- Upon proper payment, approval of 1-month creditable service for Fred Forni for prior part time non-membership service for the Town of Saugus 12/19/86-6/19/89.
- Upon proper payment, approval of 11 months and 19 days for Thomas Seaton for military service 9/11/10-8/29/11 per PERAC memo. Previous approval of 11 months and 15 days for military service 2/21/15-2/5/16 not purchased.
- All Board Members are reminded that the Statement of Financial Interest Statements are due to PERAC by May 1st. Conflict of Interest, Ethics and Open Meeting documentation was distributed to Board Members to have completed prior to next Board meeting. These documents must be filed with the Town Clerks Office.
- Mass Retirees organization is hosting their annual meeting for the North Shore on Friday May 4, 2018 at the Peabody Marriot. All Board members and Staff are invited to attend. A notice was sent to Massachusetts resident Retirees to notify them of this event.
- Board Members will need to sign into PROSPER with their new saugusretirement.org emails. Any Board member needing assistance should contact the office.

- The Board received a copy of the proposed Legal RFP. Board members are asked to review the document, dates and send any changes to the Retirement Board Office prior to the next Board Meeting.

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

- PERAC MEMO #15/2018 -#17/2018
- Correspondence from Attorney Sacco
- Bank Reconciliation for March 2018
- Cash Books for March 2018
- PRIT Investment Statement for March 2018

The next regular meeting is scheduled for May 22, 2018 at 12:00 p.m. at the Town Hall Annex.


Executive Session

None


Adjournment of Open Meeting

There being no further business to come before the Board, at 1:56 p.m., a motion was made by Board Member Decareau and seconded by Board Member Gannon and voted 4-0 in favor of adjourning the Open Meeting.

APPROVED BOARD OF RETIREMENT:



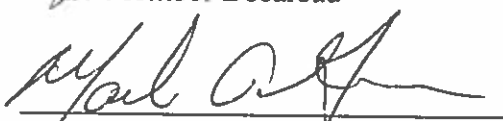
 Chairman Cross



 Board Member Decareau



 Board Member DiBari



 Board Member Gannon



 Board Administrator