

SAUGUS RETIREMENT BOARD MEETING
September 25, 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 11:30 a.m. by Chairman Cross, with Board Members Decareau, DiBari, Gannon and Matarazzo present. Board Member Matarazzo arrived after the acceptance of the August 28, 2018 Board Minutes.

In addition, present at this meeting was Firefighter Kevin McDermott, Theresa F. Richards, Administrative Assistant and Ann Quinlan SRB Administrator.

At 12:00pm, Board Attorney Michael Sacco and Wainwright representatives Mike Dwyer and Jeff Fabrizio arrived for the meeting.

Executive Session

At 11:31 am Chairman Cross asked for a motion to enter Executive Session for the purpose of discussing an Accidental Disability Application pursuant to M.G.L. c 32, §§ 21(a)(1) and take any appropriate action thereto with intent to return to regular session. That motion was made by Board Member Decareau and was seconded by Board Member Gannon and voted unanimously in favor of entering Executive Session pursuant to M.G.L. c 32, §§ 21(a)(1) and returning to regular session thereafter.

Roll Call VOTE:	<i>DiBari</i>	<i>Yes</i>	<i>Gannon</i>	<i>Yes</i>
	<i>Decareau</i>	<i>Yes</i>	<i>Cross</i>	<i>Yes</i>

While in Executive Session, Board Member DiBari made a motion, seconded by Board Member Gannon and passed 5-0 to request a Regional Medical Panel for Mr. McDermott. All parties involved will be notified of the Boards action.

Minutes

- A motion was made by Board Member Decareau and seconded by Board Member DiBari to approve the August 28, 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 DiBari and seconded by Board Member Gannon to issue payment for Retirement Board Expense Voucher #109-129 for the month of September 2018 for \$61,913.66. The Board voted 5-0 in favor.
- A motion was made by Board Member DiBari and seconded by Board Member Gannon to issue payment for Retirement Allowance Payment and Vendor Payment Warrant for the month of September 2018 for \$660,169.57. The Board voted 5-0 in favor.
- The Board noted that \$550,000.00 was wire transferred from PRIT Investment Funds to Saugus Retirement System's bank account on 9/20/2018 to cover retirement allowances and expenses for September 2018.

New Member

A motion was made by Board Member Matarazzo and seconded by Board Member Gannon to include for membership in the Saugus Retirement System the following new employees. The Board voted 5-0 in favor.

- Kailee Caron – Paraprofessional, School Department – Date of Hire & Membership is 8/27/18 – Contribution rate is 9%.

- Jacqueline Colucci – Paraprofessional, School Department – Date of Hire & Membership is 8/27/18 – Contribution rate is 9%.
- Makenzie Calef – Paraprofessional, School Department – Date of Hire & Membership is 8/27/18 – Contribution rate is 9%.
- Elena Riccioli – Paraprofessional, School Department – Date of Rehire & Membership is 9/17/18 – Contribution rate is 9%.
- Diane Walsh – Paraprofessional, School Department – Date of Hire & Membership is 8/27/18 – Contribution rate is 9%.
- Sheryl Weitz – Speech Pathologist Asst, School Department – Date of Hire & Membership is 8/29/18 – Contribution rate is 9%.
- Oscar DesJardins – Police Dispatcher., Police Department – Date of Hire & Membership is 9/16/18 – Contribution rate is 9% +2%.
- Jean Giraldo – Patrolman, Police Department – Date of Hire & Membership is 9/10/18 – Contribution rate is 9% +2%.
- Vincent Johnston – Patrolman, Police Department – Date of Hire & Membership is 9/10/18 – Contribution rate is 9% +2%.
- Camila Pereira – Police Dispatcher., Police Department – Date of Hire & Membership is 9/16/18 – 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:

- Shaina Flammia, Paraprofessional, transfer to Melrose Retirement Board. Saugus Retirement Board will accept 1 year and 3 months liability for her service with the Town from 12/8/14-2/24/16, 5/10/16-6/21/16. Break in service due to unpaid leave of absence.
- Sarah Jablonski, Paraprofessional, transfer to Arlington Retirement Board. Saugus Retirement Board will accept 1 year and 6 months liability for her service with the Town from 12/19/16-6/30/18.
- Nicole Paolo, Paraprofessional, transfer to Stoneham Retirement Board. Saugus Retirement Board will accept 6 years and 9 months liability for her service with the Town from 9/7/11-6/19/18.

Refund to Member

The Board noted that the following member took a refund, as approved on this month's expense voucher:

- Tammy Cannata, School Clerk, resigned 4/14/14 and refund effective 9/28/18. She has 1 year and 1 month of creditable service and will receive 3% interest.
- Thomas Seaton, Election Coordinator, resigned on 7/31/18 and received refund effective 9/28/18. He has 1 year and 2 months of creditable service and will receive 3% interest.
- Thomas Trainor, Paraprofessional, resigned on 6/30/18 and received refund effective 9/28/18. He has 1 year and 7 months of creditable service and will receive 3% interest.
- Kristen Vicente, Paraprofessional, terminated on 6/19/18 and received refund effective 9/28/18. She has 9 months of creditable service and will receive regular interest.
- Refunds were issued to 87 members for retirement contributions that were taken in error in 2017/2018 when clothing allowance payments were paid out by the Town of Saugus through payroll. A list of individuals is on the September 2018 voucher warrant. No interest was issued per Attorney Michael Sacco.

Service Purchase

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

- Gregory Nicholas, Youth & Recreation Department Director, approval of payroll deduction plan to recoup retirement deductions not taken from stipend payments.

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 Matarazzo and passed 5-0 to grant Superannuation retirements to the following:
- **School Department:** Richard Fioravanti, Senior Custodian, DOR: 9/25/18, Years of Service: 36.4167

Items for Discussion

Attorney Sacco sent an email regarding PERAC Memo# 26/2018, which he states is incorrect in instructing Boards to continue to accept retirement contributions for vacation buyback or cash in. He states that CRAB affirmed the DALA decision and found that the vacation buyback or cash in provision is not regular compensation. Although there is no Superior Court order on the matter, PERAC must reject any calculation that includes compensation that is not regular compensation. Therefore, no retirement calculations should be taken at this time.

Attorney Sacco reviewed a few items that have stayed stagnant. The Board hasn't been contacted from the Town regarding the implementation of the 100B committee, the MUNIS access or the Union Contracts/Memo of Agreements. There is not much the Board can do to force the Town to act. A public records request could be done for the 100B Committee membership and the Contracts.

PERAC officially approved the hiring of Attorney Michael Sacco as the Board's legal counsel. This information was obtained from the PROSPER website. The Board congratulated him in person for his renewed contract.

Wainwright Representatives Michael Dwyer and Jeff Fabrizio submitted to the Board Members their evaluation and review of each of the Classes for the Manager Search along with a review of the PRIT Fund. Mr. Fabrizio explained how the evaluation process was done rating from Highly Advantageous to Unacceptable. They look more favorably at the respondents that also have Massachusetts Retirement Systems, so they are familiar with the PERAC Rules and Regulation.

For the U.S. Passive Large Cap Core Manager search, they are looking at the level of tracking, high degree of employee ownership, large number of Mass Retirement Systems and liquidity. The Board was given Background Summary and Perform and Ratings Summary for the 4 Managers that had responded to this Asset Class. If staying with the 25% withdrawal from PRIT plan, \$5.7 Million would be allotted to Large Cap. After some discussion, Board Member Gannon made a motion, seconded by Board Member DiBari and passed 5-0 to invite Rhumblin Advisors and Mutual of America Capital Management to attend the next Board Meeting for the interview process.

For the U.S. Passive Core Manager search, they are looking at low tracking error relative to its respective index, low management fees and daily liquidity. The Board was given Background Summary and Perform and Ratings Summary for the 3 Managers that had responded to this Asset Class. If staying with the 25% withdrawal from PRIT plan, \$7.2 Million would be allotted to Core Bond. After some discussion, Board Member Matarazzo made a motion, seconded by Board Member DiBari and passed 5-0 to invite Rhumblin Advisors and State Street Global Advisors to attend the next Board Meeting for the interview process.

For the U.S. Small Cap Core Manager search, they are looking at longer historic returns in the top quartile of the Evestment Alliance Small Cap Core universe, utilize a fundamental investment process, are style specific and capitalization specific according to Evestment Alliance. The Board was given Background Summary and Perform and Ratings Summary for the 29 Managers that had responded to this Asset Class. If staying with the 25% withdrawal from PRIT plan, \$6.7 Million would be allotted to Small Cap. After some discussion, Board Member DiBari made a motion, seconded by Board Member Matarazzo and passed 5-0 to invite Aristotle

Capital Boston, LLC, Copeland Capital Management, LLC and EARNEST Partners, LLC to attend the next Board Meeting for the interview process.

For the U.S. Mid Cap Core Manager search, they are looking at longer historic returns in the top quartile of the Evestment Alliance Mid Cap Core universe, utilize a fundamental investment process, are style specific and capitalization specific according to Evestment Alliance. The Board was given Background Summary and Perform and Ratings Summary for the 11 Managers that had responded to this Asset Class. If staying with the 25% withdrawal from PRIT plan, \$6.3 Million would be allotted to Mid Cap. After some discussion, Board Member Matarazzo made a motion, seconded by Board Member Gannon and passed 5-0 to invite EARNEST Partners, LLC and LMCG Investments, LLC to attend the next Board Meeting for the interview process.

Mr. Dwyer and Mr. Fabrizio will contact the Managers of the Boards decision and set up the schedule of Interviews for Tuesday, October 30, 2018 starting at 8:30am.

Miscellaneous

- Attorney Sacco correspondence on ongoing matters
- Wainwright review of Investment RFP'S
- CME review – Mary Ellen Kench
- An injury report and/or status update was received for James Donovan, Anthony Gaieski, Thomas Jones, Timothy Fawcett Sr, and David Gecoya -Police Department

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


- Copies of PERAC Memoranda:
- MEMO # 25/2018: Allowable earning determination, pursuant to G.L.C. Section 91A
- MEMO # 26/2018: Regular compensation status of payments made in lieu of unused leave time
- MEMO #27/2018: Direct Deposit Scam
- PRIM: Monthly Statement

The next regular meeting is scheduled for October 30, 2018 at 8:30 a.m. at the Town Hall Annex.

Adjournment of Open Meeting

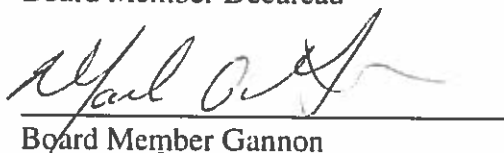
There being no further business to come before the Board, at 1:20 p.m., a motion was made by Board Member Decareau and seconded by Board Member Gannon and voted 5-0 in favor of adjourning the Open Meeting.


APPROVED BOARD OF RETIREMENT:

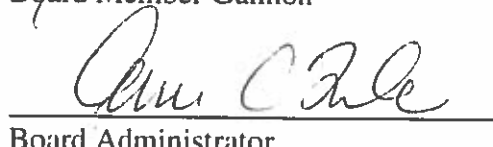

Chairman Cross


Board Member Decareau


Board Member DiBari


Board Member Gannon


Board Member Matarazzo


Board Administrator