

SAUGUS RETIREMENT BOARD MEETING
September 26, 2017

The regular meeting of the Saugus Retirement Board duly posted to be held in the Town Hall 1st Floor Conference Room, Saugus, MA on the above date was called to order at 8:00 a.m. by Chairman Cross, with Board Members Decareau, DiBari, Gannon and Matarazzo present.

In addition, present at this meeting were Attorney Michael Sacco, Board Legal Counsel, James Lamenzo, PERAC Actuary, John Boorack, Senior Actuarial Associate, Theresa Richards, SRB Administrative Assistant and Ann Quinlan SRB Administrator.

Minutes

- A motion was made by Board Member DiBari and seconded by Board Member Gannon to approved the August 21, 2017 and September 11, 2017 Open Meeting Minutes and sign them into the records. The Board voted unanimously in favor.

Payments

- A motion was made by Board Member DiBari and seconded by Board Member Matarazzo to issue payment for Retirement Board Expense Voucher #102-114 for the month of September 2017 for \$29,350.20. The Board voted unanimously in favor.
- Another motion was made by Board Member DiBari and seconded by Board Member Matarazzo to issue payment for Retirement Allowance Payment and Vendor Payment Warrant for the month of September 2017 for \$735,401.41. The Board voted unanimously in favor.
- The Board noted that \$500,000.00 was wire transferred from PRIT Investment Funds to Saugus Retirement System's bank account on 9/20/17 to cover retirement allowances and expenses for September 2017.

New Member

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

- Jessica Carter – School ASL Interpreter – Date of Hire & Membership is 8/29/17 – Contribution rate is 9% & additional 2% over \$30,000.
- Nicole Athas – School Paraprofessional – Date of Hire & Membership is 9/1/17 – Contribution rate is 9%.
- James Bunnell – School Athletic Director – Date of Hire & Membership is 8/15/17 – Contribution rate is 9% & additional 2% over \$30,000.
- Daniela Salinas – Police Officer – Date of Hire & Membership is 9/17/17 – Contribution rate is 9% & additional 2% over \$30,000.

Refund to Member

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

- Denise Palladino, School Cafeteria Worker, position was terminated effective 6/30/17. She has 5 years and 5 months creditable service and will receive 100% interest at 3%.

The Board noted that due to Anti-Spiking the following member received a refund, as approved on this month's expense voucher:

- Susan Dunn, Chief Administrative Aide, Anti-Spiking effective 9/1/17 and will receive 7.6% interest.

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:

- Nicole Dello, transfer to Stoneham Retirement Board. Saugus Retirement Board will accept 1 year and 9 months liability for her service with the School Dept. from 8/24/15- 6/20/17.
- Bianca Gallo, transfer to MTRS. Saugus Retirement Board will accept 9 months liability for her service with School Dept. from 9/3/14- 6/30/15.
- Lauren Kostegan, transfer to Winthrop Retirement Board. Saugus Retirement Board will accept 9 months liability for her service with the School Dept. from 9/19/16- 6/30/17.
- Megan Andy, transfer to Stoneham Retirement Board. Saugus Retirement Board will accept 1 year & 11 months liability for her service with the School Dept. from 7/6/15-6/20/17.

Deceased

The Board noted the death of the following retirees:

- Mildred Beeler passed away on 8/17/17. She had over 27 years of creditable service when she retired as a clerk in August 1994. She chose Option B when she retired leaving a lump sum benefit to her survivor if any funds were still available in her Annuity Savings account. Unfortunately, her account balance is zero as it depleted over the years leaving no further benefit.

Accidental Death Benefit

Mrs. Esther White, spouse of Lawrence White has applied for an Accidental Death Benefit under M.G.L. Ch²⁷ S9. She has submitted all proper paperwork and a death certificate, as she believes Mr. White passed away from the same injury from which he retired. A motion was made by Board Member Gannon, seconded by Board Member Decareau and voted 5-0 to approve the Accidental Death Benefit for Mrs. White. The proper paperwork will be submitted to PERAC for final approval. Mrs. White will receive a benefit under M.G.L. Ch32, S100 until the SRB receives PERAC's decision. All parties involved will be notified.

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 DiBari and seconded by Board Member Matarazzo and passed 5-0 to grant Superannuation retirements to the following:
School: Darlene Duffy (9/30/17, 18.0833), **Town:** Susan Dunn (9/1/17, 21.8333)
- Jane Deragon passed away on 9/7/17. She had over 17 years of creditable service when she retired as the Assistant Director of the Saugus Housing Authority in October 2016 on a superannuation retirement. She chose Option B when she retired leaving a lump sum benefit to her husband Donald Deragon. Mr. Deragon has completed the proper paperwork needed in order to receive an Option B refund. As approved on this month's Retirement Allowance warrant, he received the balance in her Annuity Savings account of \$84,641.01.
- Lawrence White passed away on 8/28/17. He had over 17 years of creditable service when he retired as a firefighter for the Saugus Fire Department in October 1986 on an Accidental Disability retirement. He chose Option B when he retired leaving a lump sum benefit to his survivor if any funds were still available in his Annuity Savings account. Unfortunately, his account balance is zero as it depleted over the years leaving no further benefit.

Items for Discussion

- James Lamenzo, PERAC Actuary and John Boorack, Senior Actuarial Analyst attended the Board's meeting to discuss the results of the January 1, 2017 actuarial valuation of the Saugus Retirement System. Each of them discussed the plan experience over the past 2 years along with what investment return assumption they were recommending. Mr. Lamenzo gave a brief overview of why some systems

had varied on the rates depending upon when the last valuation had been completed. There was some discussion about the Mortality chart and the effects that Chapter 176 provisions had on valuation. The schedules presented include the increased COLA base of \$14,000 effective FY18. The System is overall in very good shape. The Board reviewed the three alternatives that were given. After further discussion from Board members, a motion was made by Board Member Matarazzo, seconded by Board Member DiBari, and voted 4 to 1 with Board Member Decareau the Nay vote to accept Alternative 3 as the new schedule. This is a 7.4% Investment Return, includes the \$14,000 COLA Base with a total cost increasing 3.5% per year until FY25 with a final amortization payment in FY26. Mr. Lamenzo will finalized valuation and send confirmation from PERAC of the Board's vote today. All parties involved will be notified of the Board's actions.

- Each month the Retirement Insurance deductions and validated report are sent to Human Resources. It was asked of HR to review the current reports for accuracy as the information the Board has on file has been provided to the Board from HR. Mrs. Crowley, HR Director states as of July 2017, the records are correct.
- The Town of Saugus has contracted American Alternative Insurance for the Town's Worker Compensation Insurance. Prior open Worker's Compensation cases will still be handled by Zurich until they are closed. Notice to all Departments from HR and SRB requesting a copy of all incident reports be sent to SRB when they are sent to HR. Noting only reports for members of the Saugus Retirement System should be sent.
- As the Board is aware, Pension Reform requires the Board to maintain a copy of all Collective Bargaining agreements with the Town, School and SHA. SHA has no Unions at this time. We have received most of the School Contracts with only a few that need final signatures. The Town has no contracts that are valid as all the copies we have are expired. We have been told that no final documents are ready and that HR will notify us when they are available for view on their website.
- As stated in prior month, DELPHI Technology Solutions is not able to assist the Board with IT services. After some calls to other Boards and a few IT companies, Hub Tech was contacted for a quote for services.
- The deadline for nomination papers has passed and only Board Member Mark Gannon had taken papers out and returned them by the deadline. Therefore, by virtue of the law, Board Member Mark Gannon is reelected for another 3-year term commencing on December 2, 2017 through December 2, 2020. All parties involved will be notified.
- PERAC Audit Unit sent notice that after their review of the Board's records they are satisfied that the Board is complying with the recommendation of PERAC from the 3-year audit period of January 1, 2012 through December 31, 2014.

Miscellaneous

- PERAC Compensation Survey – PERAC has requested each Retirement Board Chairman complete a compensation survey online that will assist in a future PERAC summary publication

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

- PERAC MEMO #28/2017- Selection of Fifth Member & Board Employees
- PERAC MEMO # 29/2017- Vendor Disclosures
- Bank Reconciliation for August 2017
- Cash Books for August 2017
- PRIT Investment Statement for August 2017
- Injury Reports: **Fire:** Matthew Fowler (8/13/17), **DPW:** Thomas DiNocco (2/15/17, 6/22/17), Michael Dockery (9/23/16), Derek Donachie (8/15/16, 1/31/17), Charles McLaughlin (4/23/16), Kevin Vater (6/20/17, 8/31/17)
- Ticket Monster Perks for Saugus Employees and Retirees

The next meeting is scheduled for October 30, 2017 at 8:00a.m.

Executive Session

A motion was made by Board Member Gannon, seconded by Board member Matarazzo, and voted unanimously in favor to go into **Executive Session** to discuss PERAC's letter regarding the RFP Process and will return to Open Meeting.

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| Roll Call VOTE: | DiBari | Yes | Matarazzo | Yes |
| | Decareau | Yes | Gannon | Yes |
| | Cross | Yes | | |

Adjournment of Open Meeting

There being no further business to come before the Board, at 9:48 a.m., a motion was made by Board Member Decareau and seconded by Board Member DiBari, and voted unanimously in favor of adjourning the Open Meeting.

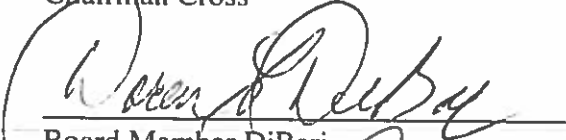
APPROVED BOARD OF RETIREMENT



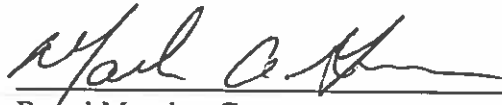
Chairman Cross



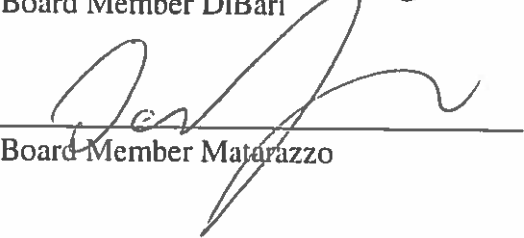
Board Member Decareau



Board Member DiBari



Board Member Gannon



Board Member Matarazzo



Board Administrator