

**SAUGUS RETIREMENT BOARD MEETING**  
**March 26, 2019**

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, Gannon and Matarazzo present. Board Member DiBari was sick and unable to attend but participated remotely.

Also present was Wainwright representative Michael Dwyer and Board staff Theresa F. Richards, Administrative Assistant and Ann Quinlan SRB Administrator.

At the start of the meeting, Chairman Cross stated a roll call was needed for Board Member DiBari to participate remotely. A roll call was taken: Cross -Y, Decareau- Y, DiBari-Y, Gannon-Y and Matarazzo-Y.

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### Minutes

- A motion was made by Board Member Decareau and seconded by Board Member Gannon to approve the February 26, 2019 Executive and Regular Meeting Minutes and sign them into the records. The Board voted 5-0 in favor.

### Payments

- A motion was made by Board Member Matarazzo and seconded by Board Member Decareau to issue payment for Retirement Board Expense Voucher #46-65 for the month of March 2019 for \$214,520.03. The Board voted 5-0 in favor.
- A motion was made by Board Member Matarazzo and seconded by Board Member Decareau to issue payment for Retirement Allowance Payment and Vendor Payment Warrant for the month of March 2019 for \$676,815.81. 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 3/20/2019 to cover retirement allowances and expenses for March 2019.

### 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 employees. The Board voted 5-0 in favor.

- Mary Calef- Paraprofessional, School Department - Date of Hire & Membership is 2/27/19 - Contribution rate is 9%.

### 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:

- David Greenbaum, Health Director, transfer to Salem Retirement System. Saugus Retirement Board will accept 3 years liability for his service with the Town from 2/22/16-2/14/19. His service with Marblehead, 2 years and 6 months, 6/1/00-11/2/03 and Salem 12 years and 3 months 11/3/03-2/19/16 were included in the transfer.
- James Bunnell, Athletic Director, transfer to Worcester Regional Retirement System. Saugus Retirement Board will accept 11 months liability for his service with the Town from 8/15/17-8/10/18. His service with Middlesex Retirement, 4 years, 7/1/13-6/30/17 was included in the transfer.
- Tayler Dipesa, Paraprofessional, transfer to MTRS. Saugus Retirement Board will accept 9 months liability for her service with the Town from 9/4/13-6/30/14.



**Refund to Member**

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

- Elizabeth Trask, Assistant Town Clerk, terminated on 11/23/15 and refund effective 3/29/19. She has 2 years and 6 months of creditable service and will receive regular interest.
- Hattie Derderian, Paraprofessional, terminated on 6/30/17 and refund effective 3/29/19. She has 3 years and 4 months of creditable service and will receive regular interest.

**Buyback/Make-up/Veteran**

A motion was made by Board Member Decareau and seconded by Board Member Matarazzo and passed 5-0 to allow the purchase of creditable service upon completion buyback to the following employees:

- Vincent Johnston, Police Department, Veteran's Service from 2/15/11-2/14/15. Maximum allowable creditable service is 4 years.

**Items for Discussion**

A proposed budget was distributed to the Board Members. Board members would like to further review and discuss at the next Board meeting when all 5 members are present.

Attorney Sacco sent notice that Docket No. 1836-CR-002391 would be before the courts on March 21<sup>st</sup> and the Board will be updated of the status or decision taken.

Wainwright representatives Michael Dwyer discussed with the Board the latest PRIT statement has had an increase of 5% and Falmouth is up 8% for the same time period. To give a comparison, Falmouth has the same investors that the Saugus Retirement Board has chosen. Board Member DiBari asked about Foreign equity and foreign bond percentages. The Board is on the conservative end of thinking.

Mr. Dwyer spoke about where the Board was for completed paperwork in having the monies transferred to People's bank and in turn to the Investment Managers. The PRIT draw will be coordinated with Wendy Hatch and Jennifer Cole. Board Member DiBari made a motion, seconded by Board Member Gannon and passed 5-0 to have the PRIT draw for trade be taken from the PRIT Fund and not the People's Bank account.

An Investment Policy Statement (IPS) was presented to the Board members prior to the Board meeting. The IPS was sent to Attorney Sacco prior to the meeting for review. Although Attorney Sacco could not offer an opinion on the investment section of the document, he did state the other language in the document had no legal issues. The Board members will further review the document before making a final decision and the Chairman signing it into agreement.

**Miscellaneous**

- An injury report and/or status update was received for Ralph Matarese, Building Maintenance, Rick Porter, Michael Barker, Chris Vinard and Mike Wilson, Fire Department.
- The Board is still awaiting an approved DRO from the court for Kevin McDermott. He will be contacted for an update.
- PERAC has set 3 separate physician appointments for Donald Shea. Under some specific medical conditions 3 separate medical examinations are necessary. His official retirement date is 2/14/19. All parties involved have been notified.
- A reminder to the Board Members of how many mandatory training hours are needed for this year's term. A copy of the PERAC Memo#2/2019 was given again.



- Chairman Cross had asked for a list on non-medicare Retiree/Beneficiaries. While reviewing the list it was found a Spouse was still on non medicare plan instead of being enrolled in Medicare supplement. The Retiree was contacted to speak with HR to correct the error before they are penalized by Social Security.
- The Retirement Board office has been contacted by many school custodians about their retirement accounts should the School Department decide to privatize and not renew their contract. There are 22 custodians in the system with more than half eligible for a retirement allowance. Without access to the Town's payroll system MUNIS, it is difficult to give an accurate estimate or research prior service. The Accounting office will be contacted for copies of records for a 6-year span for all custodians in order to prepare should the contract not be renewed. This will also put a tremendous work load on the office staff as there are 4 superannuation retirements scheduled for June 2019 along with disability applications being processed. Each estimate takes about 4 hours to review, prepare and meet with the member and family.
- The 3(8)C reimbursements have been sent out to other Retirement Boards for 2018.
- Post Retirement Earning notices have been sent out to all Retirees that have been rehired by the Town of Saugus. The list was obtained by reviewing the Town payroll master list and from the Annual Affidavits returned to the Board.

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

- The notice PERAC sent to disability retirees had an incorrect date of 2017 instead of 2018 for Federal Income Tax Return. Another letter was sent to disability retirees.
- PRIT Fund reports- February 2019
- At a recent PERAC training session, it was asked for the Board Administrators to review the local options listed on the website for correctness. It was found that the Board Indemnification was not approved. After some research through Town and Board records, the section of the law that was approved didn't include Retirement Board members. The Board was made aware of this issue and after some discussion, Board Member Matarazzo made a motion, seconded by Board Member DiBari and passed 5-0 to place an Article before Town Meeting as stated below:

***Chapter 32, Section 20A: Civil action against board member; expenses and damages; indemnification***

***To see if the Town of Saugus will vote to approve***

*The Saugus Contributory Retirement Board's vote of March 26, 2019 pursuant to Section 20A of Chapter 32, any civil action brought against a member of a retirement board, such member shall be indemnified for all expenses incurred in the defense thereof and shall be indemnified for damages to the same extent as provided for public employees of chapter two hundred and fifty-eight; provided, however, that the claim arose out of acts performed by such member or members while acting within the scope of his official duties; and provided, further, that no member of a retirement board shall be indemnified for expenses incurred in the defense of action, or damages awarded in such action, in which there is shown to be a breach of fiduciary duty, an act of willful dishonesty or an intentional violation of law by such member.*

- Two other articles for submission to Town meeting were; Chapter 32, s12(2)(d) increase to \$6000.00 and Section 101 Increase to \$12,000.00. After some discussion, the Board voted to hold off at this time as it may not be a good time to approach Town Meeting while there were a lot of Articles already submitted for expenses. If there is a special Town Meeting in the fall it may be a better time to evaluate the chance of it passing.



- In reviewing old files, we found a member had been transferred to Medford Retirement many years ago. We never received a 3(8)C reimbursement request and contacted the Medford Retirement Board to see if he was alive, still working or retired. He had retired in 2003 and per PERAC since the calculation was provided to PERAC more than 10 years after the retirement date, and after January 1, 2018, this bill amount is prospective from March 8, 2019, the date this request was received by PERAC.
- Attorney Sacco reported to the Board that the Lump-Sum Settlement in the matter of Mary E. Kench has been approved by the Department of Industrial Accidents. The Board will accept \$4,000.00 of the lump-sum settlement in satisfaction of the Board's statutory right of offset pursuant M.G.L., c 32, s 14(2).
- Melrose Retirement Board contacted the Saugus Retirement Board in a matter of 3(8)C liability. A former member of Saugus Retirement Mrs. Georgia Lewis had been offered to purchase prior nonmember service while still employed by the Town of Saugus. She chose not too and later transferred to Melrose Retirement System. She purchased the said service with the Melrose Retirement Board with the thought Saugus would accept liability. Upon Mrs. Lewis' retirement, the Melrose Retirement Board contacted Saugus Retirement Board to accept liability. Normally a Board would not accept liability as nonmember service should be purchased while still an active member of the same system. However, if Melrose was asking for the Board to accept liability and the service hadn't already been purchased, the Board would not accept liability, but since the purchase was already made, the Board has accepted the liability. After some discussion, the Board voted to discontinue accepting liability prospectively in a circumstance such as this and fulfill their prior liability acceptance in this case. Board Member DiBari made a motion, seconded by Board Member Gannon and passed 5-0 to accept liability of 4 years and 1-month Mrs. Georgia Lewis.
- In September Brenda March was hired as an Occupational Therapist Assistant and enrolled in the Saugus Retirement System. Upon requesting further documentation about the position, it was found the position required certification and therefore should mean MTRS enrollment and not Saugus Retirement. In the meantime, a request for an account transfer was made to MTRS and a check was sent to the Saugus Retirement Board. There was some discussion as to whether the Saugus Board should accept any liability since enrollment was an error, it was found the Saugus Retirement Board accepted retirement contributions and therefore should be liable. The check from MTRS was deposited into Ms. March's account and MTRS was notified to request a transfer back of Ms. March's account. The payroll department was notified, Town Retirement deductions stopped and MTRS deductions resumed.
- Permission was granted by the State Records Management Unit for the Board's application for destruction permission various records in 2009-2011 such as election and monthly investment reports. A copy of the application is on file in the Retirement Board Office.

The next regular meeting is scheduled for April 23, 2019 at 12:00 p.m. at the Town Hall Annex.

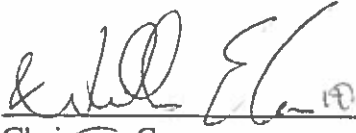
### **Adjournment of Open Meeting**

At 1:45pm, Board Member Gannon left after receiving a personal emergency call. There being no further business to come before the Board, at 1:50 p.m., a motion was made by Board Member Matarazzo and seconded by Board Member Decareau and a roll call was done. Cross-Y, Decareau-Y, DiBari-Y and Matarazzo-Y. They voted 4-0 in favor of adjourning the Open Meeting.





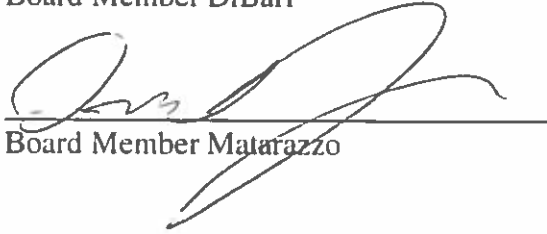
APPROVED BOARD OF RETIREMENT:

  
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Chairman Cross

  
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Board Member Decareau

  
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Board Member DiBari

  
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Board member Gannon

  
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Board Member Matarazzo

  
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Board Administrator

