

SAUGUS RETIREMENT BOARD MEETING
November 20, 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 11:48 a.m. by Chairman Cross, with Board Members Decareau, Gannon and Matarazzo present. Board Member DiBari arrived at 12:00 p.m.

Also present was Ann Quinlan, Board Administrator and arriving at 11:55 a.m. was Wainwright Representatives Michael Dwyer and Jeff Fabrizio. Investment Manager representatives were present only during their own interviews and are listed below.

Minutes

A motion was made by Board Member Gannon and seconded by Board Member Decareau to approve the October 29, 2019 Regular 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 Gannon and passed 4-0 to issue payment for:

- Retirement Board Expense Voucher #179-188 for the month of November 2019 for \$82,599.04
- Payroll Warrant #11/2019 for \$724,625.02
- Staff Payroll Warrant #11/2019 for \$10,700.68

A motion was made by Board Member Matarazzo and seconded by Board Member Gannon and passed 4-0 for wire/exchange transfers for:

- PRIT Investment Funds to Saugus Retirement System Bank Account on 11/20/19 for \$550,000.00.

New Member

A motion was made by Board Member Decareau and seconded by Board Member Gannon and passed 4-0 to include for membership in the Saugus Retirement System the following new employees.

- Sara Masrati, Paraprofessional, School Dept., Date of Hire & Membership is 11/4/19 – Contribution rate is 9%
- Tameisha Womack, Paraprofessional, School Dept., Date of Hire & Membership is 10/22/19- Contribution rate is 9%
- Cindy Martineau, Paraprofessional, School Dept., Date of Hire & Membership is 11/4/19 – Contribution rate is 9%
- Stephanie Galvin, Speech Pathologist Assistant, School Dept. Date of Hire & Membership is 11/18/19 – Contribution rate is 9% + 2%
- Alexander Mello, Senior Town Planner, Date of Hire & Membership is 11/18/19 – Contribution rate is 9% + 2%
- Andrew DePatto, Election Coordinator, Date of Hire & Membership is 11/12/19 – Contribution rate is 9% + 2%

Transfers Out

A motion was made by Board Member Matarazzo and seconded by Board Member Decareau and passed 4-0 to approve the transfer of service and annuity savings account to other MA Retirement Systems, as approved on this month's expense voucher for the following members.

- Joel McKenna, In House Monitor, transfer to Middlesex County Retirement Board. Saugus Retirement Board will accept 8 months of creditable service of 10/23/18-6/30/19. Included in the transfer is his other service with Middlesex (8/26/06-8/31/07) and MTRS (9/12/07-8/27/17, 8/27/17-6/29/18).

Refund to Member

A motion was made by Board Member Matarazzo and seconded by Board Member Gannon and passed 4-0 to grant the following members a refund, as approved on this month's expense voucher:

- Joseph Forestier, Paraprofessional, School Department resigned on 6/30/19 and refund effective 11/29/19. He had 6 years and 7 months of creditable service (11/8/12-6/30/19) and will receive regular interest.

Deceased

Marlene Hegarty, Retired Town Librarian, Superannuation, Option A passed away on November 2, 2019. One final payment will be paid to her account.

Retirements/Disabilities/Survivor Benefits

A motion was made by Board Member Gannon and seconded by Board Member Decareau and passed 4-0 to grant Superannuation Retirements under M.G.L. Chapter 32, Section 5 (1) to the following:

Saugus Housing Authority:

- James Wilkie, State Housing Manager, DOR: 12/28/19, Years of Service: 25.0833

Items for Discussion

The FY2021 approved appropriation was distributed to the Board. Notice to the Town Treasurer and the Saugus Housing Authority Director have been sent regarding the amount due for July 1, 2020.

The Actuarial Valuation for 1/1/2019 was received from PERAC. A copy was sent to the Powers and Sullivan Auditors per their usual request during the audit process.

The Post 65 Insurance meeting was attended by 3 of the 5 Town Retirement retirees/survivors. Some retired teachers attended as well. All were informed of the new program being established for July 1, 2020. Administrator Ann Quinlan assisted in contacting the 35 individuals within the program. The next step will be for the HR department to send a letter to them. The letter instructs them to call a designated Social Security representative and apply for Medicare Part A and Part B. Another meeting will be scheduled for April for the final process in the transition.

The Board's software contract is expiring in August 2020. PTG has sent a 7-year proposal for support and hosting the system. After some discussion, Board Member Gannon made a motion, seconded by Board Member Matarazzo and passed 4-0 to enter into the proposed agreement from August 1, 2020 to July 31, 2027. Chairman Cross will sign the agreement, which will be sent to PTG for final signature.

At last month's meeting retiree Richard Cardillo had requested clarification about his retirement calculation. After reviewing his file, it was found all salary eligible at that time was included as pensionable and included in his retirement calculation. He was sent copies of his record and it was explained everything had been included. He was satisfied with the answer and thanked the board for their review.

As stated in prior months, the office computers need to be upgraded. A cost to replace the two computers was presented to the Board, which also included labor to transfer files. Board Member Gannon made a motion, seconded by Board Member Matarazzo and passed 4-0 to purchase said computers and accept the invoice for payment.

Police Officer Lorenzo Internicola with the Town of Saugus applied for accidental disability. Included in his application was his Treating Physician Statement. Chief Giorgetti was asked to complete an Employer Statement. Medical Records have been requested and due by December 20th. Once received, the Board will confirm a date for a hearing. Attorney Sacco will be contacted regarding the application.

Miscellaneous

There were no injury reports sent to the Board this month.

Mass Retirees sent an update of the WEP progress. Mass Retirees and Texas Retired Teachers Association has joined forces in this fight to establish the Public Retirees Organization. Membership is free and more information is available on the new website www.publicretirees.org.

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

- Attorney Sacco – Bisignani – Plaintiff's Filing 1/16/20 hearing
- PRIT Investment Reports –October 2019
- SEI Investment Report – Aristotle & LMCG- October 2019
- Rhumblin Investment Report –October 2019
- People's Bank Statement – October 2019
- PRIM Board account activity for November 2019
- Reconciliation, Cashbooks for September 2019

Investments

At 12:00 p.m. Board Member DiBari arrived at the Board meeting. Michael Dwyer and Jeff Fabrizio from Wainwright attended the Board meeting. Mr. Dwyer gave the Board an overview of how the Board's current investments were doing this month/quarter. Total fund was up 1.4% in September and up 1.0% including PRIT for the 3 months. Total equity has continued this month to be contributing to the increase and up 2.38%. The PRIM private equity is up 2.32%. Since inception of the money transfer the system is up 4.14% net of fees.

All Board Members and Wainwright Representatives Mike Dwyer and Jeff Fabrizio were present for all four interviews.

At 12:15p.m.- 12:35 p.m.- Attending the interview for Lord Abbett was Donald Annino, Director, Portfolio Specialist and Greg Balewicz, International Director, US International. They spoke on High Yield Investments. Mr. Balewicz gave an overview of the Company founded in 1929 with High Yield established in 1971. Their team of dedicated specialist has been together for over 10 years. They are an employee owned firm with 4 public funds of which 2 are mass public funds in this sector. Currently have \$200 Billion assets under management. Mr. Annino spoke of their strength as an experienced team. Their investment process is a top-down and bottom up approach.

At 12:45p.m.-1:05p.m.- Attending the interview for Eaton Vance was Joe Furey, Director Institutional Business Development, Jamie McCourt, Associate Director and William Reardon, Institutional Portfolio Manager. They spoke on High Yield Investments. Mr. Furey spoke of the firm's history starting in 1924. They are a Boston based firm with \$490 Billion in assets under management. Mr. Reardon said the firm has been high yield managers since 1982 with the team having over 10 years of tenure at Eaton Vance. They have 5 public funds of which 3 are mass funds. Their investment process is a bottom up fundamental analysis approach.

At 1:10p.m.-1:30p.m.- Attending the interview for Barings was Joel Ayee, Associate Director, Global Business and by conference call was Jon Greenhill, Investment Manager, Global Equity Team. They spoke on

International Equity Investments. Mr. Ayee gave a brief overview of the company. Mr. Greenhill said the team has worked together for over a decade and have 70 years collectively of investment experience. They have a GARP investment strategy. Manage \$11.9 Billion of equity strategies across developed and emerging markets. They currently have no MA Pension systems that are actively managed.

At 1:35p.m.-2:00p.m. – Attending the interview for MFS Investment Management was Ann Marie Costello, Managing Director, Investment Product Specialist and Edward Hwang, Associate Director, Institutional Sales. They spoke on International Equity Investments. MFS is a Boston based firm with 4 MA Public Pension Systems invested in this strategy. Ms. Costello gave a review of the investment process. Out of 112 fundamental research analysts in MFS, 38 focus on Non-U.S. Equity. An experienced team with two portfolio managers leading them with over 10 years' experience.

After the interviews were completed the Board members completed their evaluations. While the totals were tallied, the Board discussed contributing to the PRIM Private Equity Vintage Year 2020. Board Member DiBari made a motion, seconded by Board member Matarazzo and passed 5-0 to commit \$5 Million to PRIT Private Equity Vintage Year 2020. A letter will be sent to the PRIM Board with this request prior to December 31, 2019 deadline.

For the High Yield Bond Manager search the score was Lord Abbett – 100 and Eaton Vance – 96. After some discussion, Board Member DiBari made a motion, seconded by Board Member Matarazzo and passed 3-2 to hire Lord Abbett as the High Yield Bond firm. Chairman Cross and Board Member Gannon were the nay votes. Wainwright will notify the respondents of the Board's decision. A contract will be sent to Attorney Sacco for review prior to submitting to PROSPER.

For the International Equity Manager search the score was MFS Investment Management – 97 and Barings Vance – 81. After some discussion, Board Member DiBari made a motion, seconded by Board Member Matarazzo and passed 5-0 to MFS Investment Management as the International Equity firm. Wainwright will notify the respondents of the Board's decision. A contract will be sent to Attorney Sacco for review prior to submitting to PROSPER.

The next regular meeting is scheduled for December 17, 2019 at 11:30 a.m. at the Town Hall Annex.

Adjournment of Open Meeting

There being no further business to come before the Board, at 2:45 p.m., a motion was made by Board Member Gannon and seconded by Board Member Decareau 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 Quinlan