

SAUGUS RETIREMENT BOARD MEETING**August 27, 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 12:07 p.m. by Chairman Cross, with Board Members Decareau, DiBari, Gannon and Matarazzo present.

Also present was PERAC Actuary, John Boorack and Board staff Theresa F. Richards, Administrative Assistant and Ann Quinlan, Administrator.

Minutes

- A motion was made by Board Member Gannon and seconded by Board Member Decareau to approve the July 30, 2019 Regular and Executive 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 Gannon and passed 5-0 to issue payment for:

- Retirement Board Expense Voucher #137-148 for the month of August 2019 for \$82,803.31
- Payroll Warrant #8/2019 for \$762,574.33

A motion was made by Board Member Matarazzo and seconded by Board Member Gannon and passed 5-0 for wire/exchange transfers for:

- PRIT Investment Funds to Saugus Retirement System Bank Account on 8/20/19 for \$550,000.00.

New Member

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

- Bryan Croad– Saugus Housing Authority, Bookkeeper – Date of Hire & Membership is 8/12/2019 – Contribution rate is 9% + 2%.

Transfers Out

A motion was made by Board Member DiBari and seconded by Board Member Matarazzo and passed 5-0 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.

- Christine DiMartino, Saugus Housing Authority Bookkeeper, transfer to Woburn Retirement Board. Saugus Retirement Board will accept 2 years and 10 months of creditable service. This transfer also includes her prior service with the Town of Stoneham from 2/24/03-6/30/06.
- Bernardo Garcia Polanco, School Custodian, transfer to Reading Retirement Board. Saugus Retirement Board will accept 8 year and 5 months service of 1/14/13-6/30/19.
- Thomas Frontiero, Dispatcher, transfer to State Retirement Board. Saugus Retirement Board will accept 11 months service of 10/2/17-8/9/18.
- Anthony Guthro, School Paraprofessional, transfer to State Retirement Board. Saugus Retirement Board will accept 3 years' service of 9/8/15-11/30/18.

Refund to Member

A motion was made by Board Member Gannon and seconded by Board Member Matarazzo and passed 5-0 to grant the following members a refund, as approved on this month's expense voucher:

- Erik Fisher, School Custodian, position abolished/terminated on 6/30/18 and refund effective 8/30/19. He had 5 years and 4 months of creditable service (2/10/14-6/30/19) and will receive regular interest.

sh/tx
456

Deceased

Joseph Attubato, Superannuation, Option C passed away on August 20, 2019. His wife Marion Attubato will receive and Option C Survivor Benefit upon completion of proper paperwork. Board Member Matarazzo made a motion, seconded by Board Member Gannon and passed 5-0 to grant an Option C survivor benefit upon receipt of proper paperwork.

Mary DeThomas, Superannuation, Option A passed away on August 2, 2019. One final payment will be paid.

John O'Keefe, Superannuation, Option A passed away on August 13, 2019. One final payment will be paid.

Retirements/Disabilities/Survivor Benefits

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

School Department:

- April Serio, School Paraprofessional, DOR:8/19/19, Years of Service: 15.9167

Items for Discussion

The Board invited John Boorack, PERAC Actuary to review with the Board his July 25, 2019 letter regarding the January 1, 2019 actuarial valuation results. Mr. Boorack spoke to the changes from the 2017 to 2019 valuation. One change is the investment return assumption went from 7.4% to 7.25%. The unfunded liability is \$31.2 million, and the funded ratio is 77.4% on 1/1/2019. Although the system experienced a gain on the actuarial liability the actuarial liability is less than expected. The systems plan assets were approximately 7.84% which is higher than the assumption rate of 7.4%. The morality chart has been revised and with these 2 changes it increased the normal cost by \$107,000 and the actuarial liability by \$3.61 million. Pension Reforms provisions increase the normal retirement age factor by 2 years, an increase in age reduction factor and an increase a member's annual compensation from 3 to 5 years. Forty seven percent of the systems membership is now hired after 4/1/2012. The new COLA base of \$14,000 is reflected in the 2019 valuation too. Overall the system is in good shape. Two alternative plans were discussed with one having 7.25% Investment Return and keeping a total cost increasing at 3.5% per year until FY26 with a final amortization payment in FY27 and the other 7.25% Investment Return and a total cost increasing at 5.2% per year until FY25 with a final amortization payment in FY26. The FY20 payment would remain the same regardless of the Board's decision. Although the appropriation payments are due January 1st of each Fiscal Year, the Board receives payments from the Town of Saugus on a quarterly basis starting on July 1st of each Fiscal Year. Saugus Housing Authority sends their payment twice a year starting on July 1st of each Fiscal Year and second payment by December 31st. Mr. Boorack could adjust the payment to November 15th and could save approximately \$75,000 in interest.

Board Member Gannon made a motion seconded by Board Member DiBari and passed 4-1, with Board Member Matarazzo against, to accept Alternative 2, 7.25% Investment Return, Total Cost increasing 5.2% per year until FY25 with a final amortization payment in FY26 and the payment date of November 15th of each year. Mr. Boorack will revise the Alternative 2 as already presented to reflect the change in date as requested.

The Town Auditors Powers and Sullivan have requested a copy of the January 1, 2019 actuarial valuation once finalized. They also have noted the GASB reports would be completed using this document as well. The Auditors will be contacted today with the update information.

There has been no update on the clothing allowance clarification on the Dispatcher Contract. A letter will be sent to the Union President requesting an update. All Town Union contracts have expired on 6/30/19. A notice will be sent to the Union Presidents as a reminder the Board needs copies of all prior, current and future contracts.

The Medicare Reimbursement checks have been issued by the Town. The Board was unaware of this but has received phone calls and emails regarding address changes, missing checks and checks to deceased members. The Human Resource Department has been made aware of this information and the members have been told to contact them directly to resolve the issues. Feedback from some of the retirees is that they request a consistent payment date each year. Chairman Cross will forward this request to the PEC committee.

A motion was made by Board Member DiBari and seconded by Board Member Matarazzo and passed 5-0 to grant a Cost of Living Increase for Dependent on Accidental Disability & Death Survivors as allowed in PERAC Memo#21/2019.

Board Member Matarazzo informed the Board she has given her notice as Town Accountant and will be leaving as of September 13th. She will be accepting a job as Finance Director for the Lawrence Public School Department. She thanked the Board members and Staff for her time spent serving on the Board. The Board members and Staff thanked her all her efforts shown as a Board member and working together as Town Accountant. The Board wished her good luck in her new endeavor.

No one has been appointed acting Town Accountant, but when that happens the member will be notified, they can join the Board but must adhere to the filing of SFI and the education requirements. If the member chooses not to join, the Board would continue as a 4-member board until someone is hired as Town Accountant.

Board Member Matarazzo returned her Ipad and charger to the Board. A change of Board Member form will be sent to PERAC and Attorney Sacco will be notified of the changes.

Miscellaneous

- The Election has been posted throughout the Town Buildings and on the Board's website. The deadline to return Nomination papers is October 3, 2019 at 12:00pm.
- Board Members DiBari and Chairman Cross need 3 credits and are registered for the September 25th training at PERAC. Board Member Decareau does not need the credits but is registered for the class.
- The two RFP's have been posted on the PERAC website, MA state Goods & Services Bulletin and the Board's website. The deadline for the RFP's is September 12, 2019.
- The Board received an approved DRO, Docket No: 05D-0769-DV1. Payments have started August 30, 2019.

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

- PERAC Memorandum: #21/2019: Cost of Living Increase for Dependent on Accidental Disability & Death Survivors
- Mass. Retirees' - "The Voice" newsletter for August 2019
- Institutional Investors lifetime achievement award will be given to Mass Prim's Michael Trotsky

Shirley
u58


- Investment Reports – July 2019
- SEI Investment Report – Aristotle & LMCG- July 2019
- Rhumblin Investment Report – July 2019
- Domestic Relations Order, Docket NO. 05D-0769-DV1
- RFP Posted for Investment Management Firms for Developed Market International Equity and High Yield Bond

The next regular meeting is scheduled for September 24, 2019 at 12:00 p.m. at the Town Hall Annex. Board Member DiBari requested the Board change the time to 8:00am. The meeting is tentatively changed. Mr. Dwyer and Mr. Fabrizio from Wainwright will be contacted regarding the time change as the RFP's will be reviewed at that meeting.

Adjournment of Open Meeting

There being no further business to come before the Board, at 12:55 p.m., a motion was made by Board Member Gannon and seconded by Board Member DiBari and voted 5-0 in favor of adjourning the Open Meeting.

APPROVED BOARD OF RETIREMENT:



 Chairman Cross



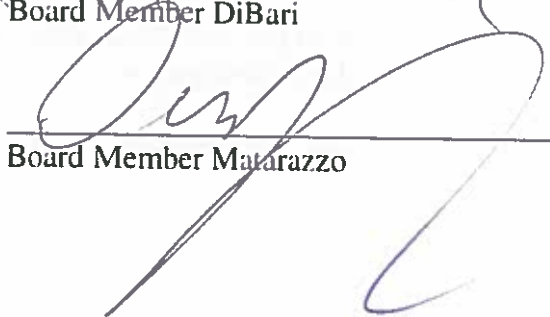
 Board Member Decareau



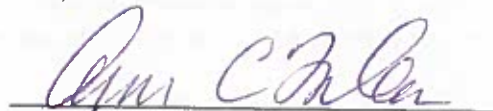
 Board Member DiBari



 Board Member Gannon



 Board Member Matarazzo



 Board Administrator