

The Regular meeting of the Saugus Retirement Board duly posted to be held via Conference Call using Zoom, Meeting ID: 442 280 6039, Password: 699067 on the above date was called to order at 12:00 p.m. by Chairman Cross, with Board Members, Decareau, DiBari, Gannon and Matarazzo in person at 25 Main St and remotely present via zoom.

Also, remotely present via zoom was Mike Dwyer and Jeff Fabrizio from Wainwright Consultants. Board Staff Theresa Richards and Ann Quinlan in person at 25 Main St and remotely present via zoom.

Chairman Cross asked for a Roll Call vote as he opened the Regular meeting. Mrs. Quinlan read the names for Roll Call: Cross -Y, Decareau -Y, DiBari -- Y, Gannon - Y and Matarazzo- Y the Board voted 5-0 in favor.

Chairman Cross opened the meeting noting the participants joining through zoom as all 5 Board Members, Mike Dwyer and Jeff Fabrizio from Wainwright and Board Staff Theresa Richards and Ann Quinlan.

Chairman Cross reminded the Board Members that all votes would require a Roll Call vote and at any time if the meeting were not audible to a Board Member to make the Chairman aware of the situation.

Investments:

Mike Dwyer and Jeff Fabrizio from Wainwright Consultants attended the Board meeting via Zoom. Mr. Dwyer gave the board an overview of the market activity for May 2021. The money the Board had approved to be transferred has been completed. The Board needs to continue with PERAC annual meetings of LMCG and Rhumblin. The final action is what searches do we have left to transfer from the PRIT fund to the funds we had wanted for the board's portfolio.

Mr. Fabrizio went over the performance review report. The May 2021 Summary and People's Bank report which showed the whole fund is at \$138,256,380.00. Saugus Retirement System is up 7.9% which exceeds Prit fund 7.2%. The Prim Fund just up over 7%, Rhumblin at 11.6%, LMCG up 15% and Aristotle 15% for a four-month period. One month performance MFS up 2.5%. Lord Abbett just up 1% over a month. Overall, very pleased with the performance so far.

Mike said things are going just fine. Moving forward higher performance numbers. Just need to meet with LMCG and Rhumblin soon and possibly PRIT fund. The current allocation of funds is doing well so what we had thought we would be transferring for money out of PRIT is a lot more than anticipated. We will need to come up with another plan of reallocating money and when to make the next transfer.

Mike Dwyer is setting up LMCG for a virtual meeting for July 28th Board meeting. He will reach out to Jenna Oliver to attend.

Minutes:

A motion was made by Board Member Matarazzo and seconded by Board Gannon to approve the May 26, 2021, Regular Meeting Minutes and sign them into the records. Roll Call: Cross -Y, Decareau -Y, DiBari -Y, Gannon- Y and Matarazzo -Y, the Board voted 5-0 in favor.

Payments:

A motion was made by Board Member Gannon and seconded by Board Member Matarazzo and after a Roll Call: Cross -Y, Decareau- Y, DiBari -Y, Gannon - Y and Matarazzo -Y, the Board voted 5-0 in favor to issue payment for:

- Retirement Board Expense Voucher #70-81 for the month of June 30, 2021, for \$38,523.71.
- Payroll Warrant #6/2021 for \$730,423.12.
- Staff Payroll Warrant #6/2021 for \$12,187.04.
- PRIT Investment Funds to Saugus Retirement System Bank Account on 6/20/21 for \$675,000.00
- PRIT General Allocation to Private Equity Exchange on 6/1/2020 for \$66,402.72.

New Member:

A motion was made by Board Member Gannon and seconded by Board Member Decareau and after a Roll Call: Cross -Y, Decareau -Y, DiBari -Y, Gannon – Y and Matarazzo -Y, the Board voted 5-0 to include for membership in the Saugus Retirement System the following new employees.

- Daniel Bertrand, ABA instructor, School Department, Date of Hire & Membership is 6/7/2021 - Contribution rate is 9%

Retiree Death:

Retiree Norman Henderson, former School Custodian passed away on May 21, 2021. He had chosen an option B when he retired but the account was depleted. No further payment will be made.

Retirements/Disabilities/Survivor Benefits:

A motion was made by Board Member Gannon and seconded by Board Member Decareau and after a Roll Call: Cross-Y, Decareau-Y, DiBari-Y, Gannon-Y and Matarazzo-Y, the Board voted 5-0 in favor to grant a Superannuation Benefit to the Following:

School Department:

- Donna Anderson, Principal Clerk, DOR: 7/10/2021, Years of Service: 34 and 3 months.

Transfers Out:

A motion was made by Board Member Decareau and seconded by Board Member DiBari and after a Roll Call: Cross-Y, Decareau-Y, DiBari-Y, Gannon-Y and Matarazzo-Y, the Board voted 5-0 in favor 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.

- Elena Riccioli, Inactive School Member, transfer to Everett Retirement Board. Saugus Retirement Board will accept 3 years & 3 months of creditable service of 10/16/17-4/23/21. Arlington Service 10/27/14-6/23/17 (2.5833) and Everett Service of 11/30/09-6/28/13 (3.5000).
- Alexander Bogdanski, Inactive School Member, transfer to Everett Retirement Board. Saugus Retirement Board will accept 4 years & 8 months of creditable service of 8/30/16-5/14/21.
- Mary Kate Grocki, Inactive School Member, transfer to Mass Teacher's Retirement Board. Saugus Retirement Board will accept 1 year and 11 months of service of 8/30/16-8/16/18.
- Andrew Jablonski, Inactive School Member, transfer to Mass Teacher's Retirement Board. Saugus Retirement Board will accept 2 years and 11 months of service of 8/30/16-8/21/19. Marblehead Service of 10/6/14-5/1/15 (.3333) & 1/4/16-6/24/16 (.2500).

Refunds: M.G.L. Chapter, 32, Section 10 (04)

- Stephanie Galvin, Inactive Member of the School Department. Service was from 11/18/19-6/30/20, 3% interest.

Items for Discussion:

An application for Accidental Disability from Kevin Olsen was received by the Board. Requests for medical records, employer Statement and Physician Statement will be mailed out for his application. Once all documents are received, the Board will hold a Disability Hearing. All parties involved will be notified.

Attorney Akashian has been contacted for an update on any new medical records or physician statement for Ralph Materese. The Board and Attorney Sacco will be kept informed of any new details.

Only 2 people are left who haven't signed up to repay their Holiday Cash In. They will be contacted once more and a final notice by certified mail will be sent explaining that no retirement benefit or refund will be given without the repayment of these monies due. Only 2 other members are still repaying through payroll deductions. Otherwise, everyone has paid their full balance due.

The PERAC Auditors have requested more information and will be out to the office for a few days. Once they are satisfied with the Audit an exit interview will be set up. The Town of Saugus Audit is underway for 2019-2020. All documents have been sent via the Powers & Sullivan portal.

There was supposed to be a meeting with Human Resources to discuss how the Board can obtain injury reports for our membership as we were told by the HR Department, we are not allowed access to these documents because of HIPAA. There is some confusion to what HIPAA covers and that the MGL requires injury reports be filed with the Retirement Board for members otherwise they may be disqualified for Disability benefits down the line. The HR Director needed to reschedule and will notify us of the new date and time.

John Boorack, PERAC Actuary gave a presentation of the results on the January 1, 2021, actuary valuation. Using the investment return assumption of 7%, the actuarial accrued liability is approximately \$151 million. The actuarial value of assets is approximately \$125.7 million. The difference of \$25.3 million represents the unfunded liability on January 1, 2021, and the funded ratio is 83.2%.

Two assumption changes were made for all Retirement Boards this year. The first is the Investment return assumption reduce by .25% so Saugus would be recommended to be at 7%. The other is the mortality chart change from MP2018 to MP2020.

There are two options presented for the Board to review. If after discussing them, the Board would like other alternatives they can be created but these two were thought to be the most acceptable. Alternative 1 would reduce the current Investment return to 7%. The total cost would continue to be increasing at 5.2% each year until FY26 with a final amortization payment (non-ERI) in FY27. Alternative 2 would reduce the Investment return to 7% as well. The total cost would change to increase 6.9% each year until FY25 with a final amortization payment (non-ERI) in FY26.

A motion was made by Board Member Matarazzo and seconded by Board Member Gannon and after a Roll Call: Cross-Y, Decareau-Y, DiBari-Y, Gannon-Y and Matarazzo-Y, the Board voted 5-0 in favor to approve Alternative 1 as the funding schedule. All parties involved will be notified of the Board's decision.

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

- PERAC Memo #16/2021 -Coronavirus Reopening Memo
- PERAC Memo#17/2021- Follow up: Certain Coronavirus Emergency Measures Extended
- Trial Balance, Cash Receipts, Cash Disbursement, Adjustments, Eastern Bank (3) Account Statements, Peoples' Bank Account Statement, Treasurer's Reconciliation – April 2021, May 2021

- SEI Investment Report – Aristotle & LMCG- May 2021
- Rhumblin Investment Statement – May 2021
- Lord Abbett Statement- May 2021
- MFS Statement May 2021
- PRIT Performance – May 2021
- PRIT – Exchange PEVY & Auto Redemption – 6/1/2021
- Wainwright Meeting Review – April 2021 Review
- People's Invoice –4/2021
- Rhumblin Invoice – Qtr. 2/2021

Adjournment of Open Meeting


At 12:48 pm, a roll call was taken, Cross-Y, Decareau-Y, DiBari-Y, Gannon-Y and Matarazzo Y to adjourn the meeting.

The next Board Meeting is scheduled for Wednesday, July 28, 2021, at 12:00pm.

APPROVED BOARD OF RETIREMENT:



Board Chairman Cross



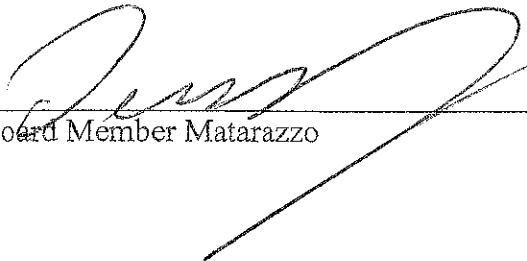
Board Member Decareau



Board Member DiBari



Board Member Gannon



Board Member Matarazzo



Board Administrator Quinn