

**SAUGUS RETIREMENT BOARD MEETING****January 26, 2022**

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 12:00p.m. by Chairman Cross, with Board Members, Gannon, Decareau, and Matarazzo, were present at 25 Main St and via zoom. Board member DiBari was unable to attend due to a prior commitment.

Also, remotely present via zoom were Mike Dwyer and Jeff Fabrizio from Wainwright Consultants. Board Staff Theresa Richards and Ann Quinlan were 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, Gannon -Y and Matarazzo -Y, the Board voted 4-0 in favor.

Chairman Cross opened the meeting noting the participants joining through zoom as all 4 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 gave the board an overview of the market activity from the performance review report of November 3, 2021. The People's Bank summary report showed the whole fund is at \$149,189,109.00. The Total Fund was up 14.77% YTD. The market has been extremely volatile because the Federal Reserve are expected to raise the interest rates in March. Inflation is high and probably has peaked and will remain stable. It is expected for the Federal Reserve to start to tighten. The market is reacting based on how they anticipate what is going to happen with the Federal Reserve.

There were 41 responses to the Small Cap RFP. Given the large response, the Executive summaries for each responded will be presented to the Board at the February meeting.

Jeff Fabrizio reviewed the Monthly summary and People's report for November 30, 2021. PRIM general allocation was a strong contributor to the Boards performance of 16.45% YTD. The total equity fund was 16.69% YTD with Russell 1000 at 21.56% YTD, LMCg at 14.59% YTD and Aristotle at 13.91% YTD. International Equity – MFS had this fund less than a year but holding its own. Rhumblin Core and Lord Abbett holding their own as well. The PRIM core real estate is up 5.15% for the 3 months. Total venture capital up 82% YTD.

**Minutes:**

A motion was made by Board Member Decareau and seconded by Board Member Gannon and after a Roll Call: Cross -Y, Decareau-Y Gannon- Y and Matarazzo -Y the Board voted 4-0 in favor to approve the December 15, 2021, Regular & Executive Meeting Minutes and sign them into the records.

**Payments:**

A motion was made by Board Member Gannon and seconded by Board Matarazzo after a Roll Call: Cross -Y, Decareau-Y, Gannon -Y and Matarazzo -Y, the Board voted 4-0 in favor to issue payment for:

- Retirement Board Expense Voucher #1-11 for the month of January 26, 2022, for \$31,633.21.
- Payroll Warrant #1/2022 for \$739,850.07.
- Staff Payroll Warrant #1/2022 for \$11,772.89
- PRIT General Allocation to Private Equity Exchange on 1/3/2022 for \$126,176.53.

- PRIT Redemption on 1/20/2022 for \$650,000.00
- Invoice – People’s United 11/2021 for \$3,389.82
- Invoice – People’s United 12/2021 for \$3,453.09
- Invoice – Rhumblin 4<sup>th</sup> Quarter for \$3,223.00

### **New Member**

A motion was made by Board Member Decareau and seconded by Board Member Matarazzo and after a Roll Call: Cross -Y, Decareau, -Y Gannon -Y and Matarazzo -Y, the Board voted 4-0 to include for membership in the Saugus Retirement System the following new employees.

- Tracey Oworm, Paraprofessional, School Department., Date of Hire & Membership is 1/3/2022 – Contribution rate is 9%
- Dana Marshall, Custodian, Town Department, Date of Hire & Membership is: 1/24/22- Contribution rate is 9% & 2%.

### **Retiree Death:**

Retiree Robert Crooker, Firefighter, passed away on January 13, 2022. He chose Option C at the time of Retirement leaving a survivor benefit for his wife Linda Crooker.

### **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, Gannon-Y and Matarazzo -Y, the Board voted 4-0 in favor to grant a Superannuation Benefit to the Following:

#### **School Department:**

- James Hughes, Fire Department, Captain, DOR: 1/8/2022, Service: 35 Years
- Mary Houlden, School Department, OT Assistant, DOR: 1/22/2022, Service: 21 Years and 1 month.

### **Approval of Accidental Death Benefit per M.G.L., Chapter 32, Section 9**

PERAC approved the Accidental Death Benefit application for Carol Forni, survivor of Frederick Forni. The calculation benefit and required documents were sent to PERAC for final approval.

### **Items for Discussion:**

The 1099R tax forms have been sent out for Calendar Year 2021. The 945 and 945A forms have been sent to the IRS and the 1099R EFT file has been uploaded to the IRS website.

The IRS sent another notice for a penalty for 2019 for \$1348.00. Mrs. Quinlan called the IRS and requested an appeal which was done over the phone because it was under \$25,000.00. The IRS agent couldn’t identify why the Board had received a penalty as the board’s records match the IRS and payments were made within the time required. An appeal was completed, and a 9-week extension added to resolve the issue. Wendy Hatch has been included in all correspondence. She too agrees the payments and schedule were correct. The IRS agent states approximately 60 days before the Board will be notified of the appeal decision.

An updated checklist for active members to review prior to Retirement was given to the Board to review. Once approved, it will be added to the Board website.

The final 2021 Expense budget was given to the Board along with a proposed 2022 budget. Since only 4 members were present, the Board decided to wait until the February meeting to discuss and approve the budget.

Active member Shawn Flynn had requested the purchase of prior employment with the Sheriffs Department. When he worked for the Sheriff's Department, he was not enrolled in the Essex County Retirement system until he became permanent. This time was transferred to Saugus once he became a Saugus Police Officer. The State Retirement Board takes liability for the Sheriff's Department; however, they would not accept his part time (per diem) service. He was told to request liability from the Essex Regional Retirement Board. He did and was denied and told to request through Saugus. Attorney Sacco represents both Boards and could not respond directly to the case but stated if the Board were to deny liability, Mr. Flynn could appeal and would after a lot of time and money spent end up being allowed to purchase said service. After some discussion, Board Member Matarazzo made a motion, seconded by Board Member Gannon and after a Roll Call: Cross-Y, Decareau -Y, Gannon-Y and Matarazzo -Y, the Board voted 4-0 in favor to grant creditable service to Shawn Flynn upon proper payment and paperwork. The Sheriff's Department will be contacted for exact hours worked and salary earned.

The Annual Member Notices have been sent to both the active and inactive members of the system. Each person received notice of explanation of the Options along with a few contact names/numbers for any updates to their file. One inactive member has 10 years and 1 month service recorded in their file. Upon further review, this member only got paid 100.00 per week for a few months prior to leaving. Further information was requested to HR and payroll and neither department could determine why this occurred. After some discussion, the Board requested the town manager's office be contacted for further assistance.

PERAC Memo's #4/2022 & 4A/2022 pertain to this year's COLA. The Board would like to give the Board of Selectman notice of the March 23, 2022, Board meeting to discuss the COLA for July 1, 2022.

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

- PERAC Memo #1/2022 RE: Fraud Attempt
- PERAC Memo: #2/2022 RE: 2022 Limits under Chapter 46 of the Actos of 2002
- PERAC Memo: #3/2022 RE: 2022 Limits under Section 23 of Chapter 131 of the Acts of 2010
- PERAC Memo: #4/2022 RE: COLA Notice
- PERAC Memo: \$4a/2022 RE: Clarification of Previous COLA Notice Memo
- PERAC Memo: #5/2022 RE: 2022 Interest Rate set at 0.1%
- PERAC Memo: #6/2022 RE: Mandatory Retirement Board Member Training – 1<sup>st</sup> Quarter 2022
- The Voice of the Retired Public Employee Newsletter- January 2022
- Trial Balance, Cash Receipts, Cash Disbursement, Adjustments, Eastern Bank (3) Account Statements, Peoples' Bank Account Statement, Treasurer's' Reconciliation- October -November & December 2021
- SEI Investment Report – Aristotle & LMCG- December 2021
- Rhumblin Investment Statement – November & December 2021
- Lord Abbett Statement- December 2021
- MFS Statement December 2021
- PRIT Performance --December 2021
- PRIT – Exchange PEVY & Auto Redemption – 1/3/2022
- Wainwright Meeting Review – November 2021 Review
- Attorney Sacco- Varies legal matters

**Adjournment of Open Meeting**

**Executive Session**


At 12:20 pm, Board Member Matarazzo made a motion, seconded by Board Member Gannon and a roll call was taken, Cross-Y, Decareau- Y, Gannon -Y, and Matarazzo-Y to enter Executive Session without returning to Open meeting to discuss the litigation strategy and disability applications.

Adjournment of Open Meeting

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

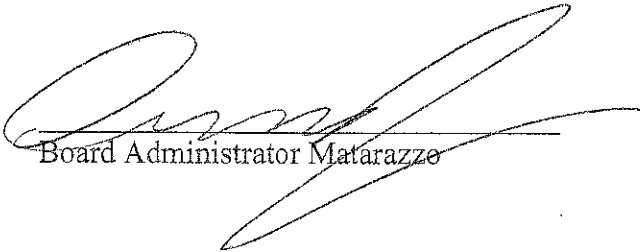
The next Board Meeting is scheduled for Wednesday, February 23, 2022, at 12:00pm.

APPROVED BOARD OF RETIREMENT:

  
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Board Chairman Cross

  
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Board Member Decareau

  
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Board Member Gannon

  
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Board Administrator Matarazzo

  
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Board Administrator Quinlan