

SAUGUS RETIREMENT BOARD MEETING
November 24, 2021

The Regular meeting of the Saugus Retirement Board duly posted and held via Conference Call using Zoom, Meeting ID: 442 280 6039, Password: 699067 on the above date was called to order at 8.35 am p.m. by Chairman Cross, with Board Members, Gannon, Matarazzo, DiBari, and Decareau, were present at 25 Main St and via zoom.

Also, remotely present via zoom phone call was 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, DiBari- Matarazzo- Y – Decareau- Y, and Gannon – 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 gave the board an overview of the market activity for September 30, 2021, going over the performance review report. The S& P has gone up about 10% since September and October and November will be better reports. Having President Biden keep Jerome Powell as Federal Reserve Chairman was a good move. Inflation may get higher because of supply chain problems.

Jeff Fabrizio reviewed the September 30, 2021, People's Bank summary report, which showed the whole fund is at \$147,540.00. The Total Fund was up 12.2% YTD. The total equities are up 14.18% and doing very well. MFS (international equity) has been with the system less than 9 months but down very slightly. Core Bond - Rhumblin is down because of interest rates are raising. Lord Abbett, high yield fixed income is less sensitive to the interest changes and we our portfolio has only been invested with their company for 9 months. Real Estate for 3 months is up as and staying strong. Private equity market is doing outstanding and going strong. Everything is doing great, and we are in very good standing with our portfolio.

Mike Dwyer stated Aristotle still on watch list as they are underperforming this quarter as well as LMCG, due to the reorganization of their company due to the sudden death of a Growth manager. We are watching them carefully to assure they will keep on moving forward.

Jeff Fabrizio presented the proposed rebalancing report using November 18th figures from the Managers. The proposal is to take \$35 million out of the PRIT fund and put \$8 million into domestic equity, \$7 million into Foreign Equity, \$10 million into Fixed income and \$10 million into Alternatives.

The Board does not have an Emerging Market manager so an RFP will need to be completed. The transfer of money to People's Bank can still occur even if the Manager has not been hired. There was discussion of having an Index fund which could be used as a place holder during the Emerging Market manager search.

A motion was made by Board Member DiBari and seconded by Board Member Matarazzo and after a Roll Call: Cross-Y, DiBari-Y, Decareau-Y, Gannon-Y and Matarazzo-Y, the Board voted 5-0 to transfer \$35 million from PRIT to the asset allocations per the presentation on May 31, 2022. The PRIT Hedge Fund sleeve cannot only be transferred quarterly and will be done on June 30, 2022. The Large Cap \$1 million, Mid Cap \$1.5 million,

Small Cap \$5.5 million, Foreign Equity \$5.5 million, Emerging Market \$1.5 million, Core Fixed Income \$5.5 million, High Yield Fixed Income \$4.5 million, Real Estate \$5 million, and Hedge Funds \$5 million.

To commit to FY2022 Vintage year, a transfer letter must be sent to PRIT by 12/15. A motion was made by Board Member DiBari and seconded by Board Member Matarazzo and after a Roll Call: Cross -Y, DiBari- Y – Matarazzo- Y- Decareau-Y, and Gannon – Y, the Board voted 5-0 in favor of committing \$5 million to FY2022 Vintage Year.

Board Member DiBari asked whether a small growth allocation would be beneficial to the System. After some discussion of Aristotle being more value vs growth, a small growth manager would be a good option at this point. A motion was made by Board Member DiBari and seconded by Board Member Matarazzo and after a Roll Call: Cross -Y, DiBari- Y – Matarazzo- Y- Decareau-Y, and Gannon – Y, the Board voted 5-0 to do a RFP search for a Small Growth Manager with a due date of 1/12/2022.

Minutes:

A motion was made by Board Member Gannon and seconded by Board Member DiBari to approve the October 31, 2021, Regular Meeting Minutes and sign them into the records. Roll Call: Cross -Y, DiBari -Y, Matarazzo- Y- Decareau-Y and Gannon- 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, DiBari- Y – Matarazzo- Y- Decareau-Y, and Gannon – Y, the Board voted 5-0 in favor to issue payment for:

- Retirement Board Expense Voucher #115-123 for the month of November 30, 2021, for \$69,712.53.
- Payroll Warrant #11/2021 for \$751,543.13.
- Staff Payroll Warrant #11/2021 for \$11,679.26.
- PRIT General Allocation to Private Equity Exchange on 11/2/2021 for \$205,960.77.
- Peoples' Invoice for 7/2021 - \$3,309.48, 8/2021 - \$3,341.98 and Rhumbline 3rd Qtr. - \$3,171.00.

New Member

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

- Nicola LaBruna, Paraprofessional, School Department, Date of Hire & Membership is 11/1/2021 – Contribution rate is 9%.
- Thomas Wilson, Patrolman, (rehired) Police Department, Date of Hire & Membership is: 11/1/21- Contribution rate is 9% & 2%.

Transfer Out:

A motion was made by Board member Mark Gannon and seconded by Board member Matarazzo and after a Roll Call: Cross- Y, DiBari-Y- Matarazzo- y and Gannon-Y, the Board voted 5-0 in favor to approve the transfer of service and annuity saving account to other MA Retirement Systems, as approved on this month's expense voucher for the following members:

- Martine Hyppolite, Fire Department to the Mass Port Retirement System. Saugus Retirement Board will accept 4 years & 6 months liability of service from 4/10/17-11/8/21.

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

A motion was made by Board member Mark Gannon and seconded by Board member Matarazzo and after a Roll Call: Cross- Y, DiBari-Y- Matarazzo- y and Gannon-Y, the Board voted 5-0 in favor to approve the transfer of service and annuity saving account to other MA Retirement Systems, as approved on this month's expense voucher for the following members:

- Patricia McMahon, Library Department, resigned on 9/20/21. Saugus Service – 8/31/2015- 7/22/2021- 3% interest

Retiree Death:

Retiree Donna Brady, DPW Clerk, passed away on November 9, 2021. She had chosen an Option B, with a balance due to surviving beneficiary for Nicole Brady.

Retiree Arthur Rumson, Inspectional Service Dept., passed away on November 11, 2021. He had chosen an Option B, which was depleted. All parties involved will be notified.

A motion was made by Board Member Gannon and seconded by Board Member DiBari and after a Roll Call: Cross-Y, DiBari-Y, Matarazzo- Y, Decareau- Y, and Gannon-Y, the Board voted 5-0 in favor to grant an Option B refund to Donna Brady's beneficiary on file – Nicole Brady.

Retirements/Disabilities/Survivor Benefits:

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

School Department:

- Patricia Johnson, School Department, Aide, DOR 11/30/2021, Years of Service: 17 and 1 month.

Make-ups/Buybacks/Veterans Service Purchases:

A motion was made by Board Member Gannon and seconded by Board Member Matarazzo and after a Roll Call: Cross-Y, DiBari-Y, Matarazzo- Y, Decareau- Y, and Gannon-Y, the Board voted 5-0 in favor to grant a Makeup purchase to the Following member upon completion of proper paperwork and payment:

School Department:

- Wendy Hatch, Finance Director/Treasurer Collector, Years of Service: 2 years

Items for Discussion:

PERAC Audit & Powers and Sullivan Audit are still ongoing. The PERAC auditors are scheduling the exit interview for the following week. They request at least one Board Member be present during the meeting. Chairman Cross will be present. Any other Board members wanting to join will be sent a link if no more than two join, otherwise a meeting would need to be posted.

Chairman Ken DePatto of the Finance Director called the office to notify the Board the articles that were submitted are not on the Special Town Meeting on December 1, 2021. They will be placed on either the next Special or Regular Town Meeting.

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

- PERAC Memo #28/2021: Buying Back Elected Official Service Time
- PERAC Memo #29/2021: Expansion of Post-Retirement Work in the Public Sector
- PERAC Memo#30/2021: Investment Fraud Alert
- PERAC Memo#31/2021: Pension Fraud Prevention Campaign
- Mass Retirees- The Voice newsletter- November 2021t
- SEI Investment Report – Aristotle & LMCG- October 2021
- Rhumbline Investment Statement – September 2021

- Lord Abbett Statement- October 2021
- MFS Statement October 2021
- PRIT Performance – October 2021
- PRIM Performance- October 2021
- PRIT – Exchange PEVY & Auto Redemption – 11//2021
- Wainwright Meeting Review – September 2021 Review

Executive Session

At 9:45 am, Board Member Gannon made a motion, seconded by Board Member DiBari and a roll call was taken, Cross-Y, DiBari-Y, Matarazzo -Y, Decareau- Y, and Gannon-Y to enter Executive Session without returning to Open meeting to discuss the Administrator recent deposition.

Adjournment of Open Meeting

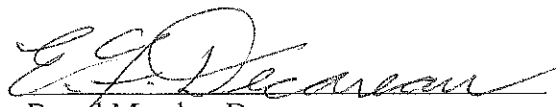
At 9:58 am, a roll call was taken, Cross-Y, DiBari-Y, Matarazzo -Y, Decareau- Y, and Gannon-Y to adjourn the meeting.

The next Board Meeting is scheduled for Wednesday, December 23, 2021, at 12:00pm.

APPROVED BOARD OF RETIREMENT:




Board Chairman Cross



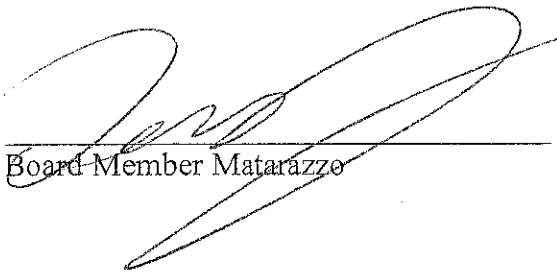
Board Member Decareau



Board Member DiBari



Board Administrator Gannon



Board Member Matarazzo



Board Administrator Quinlan