

**SAUGUS RETIREMENT BOARD MEETING****March 22, 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 10:00a.m. by Chairman Cross, with Board Members, DiBari, Gannon, and Matarazzo were present at 25 Main St and via zoom. Mr. Decareau was absent due to a schedule vacation.

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, DiBari -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 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 January 31, 2022. The Market is acting fairly well with the Federal Reserve tightening the reins. Given the busy agenda with 3 interviews for the Small Growth RFP, Mr. Dwyer asked Mr. Fabrizio to give the overview of the January 2022 report.

Jeff Fabrizio reviewed the Monthly summary and People's report for January 31, 2022. The People's Bank summary report showed the whole fund market value is at \$147,887,510.00. The Total Fund was at 14.81% for the 1-year mark. For the month, the equity did retreat in the portfolio due to rising interest rates and increase of inflation. There are some negative numbers, but they are still not as bad as the index. We will continue to monitor the full portfolio on the Board's behalf.

Mike Dwyer also mentioned that Jeff Fabrizio would be working on sending the Board an updated Investment Policy Statement Draft for the Board's review. PERAC requires a standard deviation of the portfolio now and that will need to be included. Once this is completed, it will be forwarded to the Board.

All 4 Board Members and Wainwright Representatives Mike Dwyer and Jeff Fabrizio were present for all three interviews.

**10:07am-10:35am Attending the interview for Lord Abbett**

10:07am-10:35am Attending the interview for Lord Abbett was Greg Balewicz, International Director, US International & Brian Foerster, Senior Investment Strategist. Mr. Balewicz gave an overview of the Company founded in 1929. They prized themselves in strength and stability. Lord Abbett is an employee-owned firm with 8 public funds in MACRS. Mr. Foerster spoke to a comingled fund. The Small Cap Growth fund has %5.2 billion in AUM. Current team began managing the strategy in 2003. 70% of assets managed for retirement and institutional investors. They have a unique approach to focus on high innovation like Cloud technology, Electric Cars, biotech etc. This group are rethinking equity allocations, investing in companies that reinvest in themselves.

**10:40am-11:01am -Segall, Bryant and Hamill**

At 10:40am- 11:01am.- Attending the interview for Segall, Bryant and Hamill are Brian Fitzsimons, Director of Small Cap Growth Strategies and Daniel McCormack, Director of Marketing & Business Development. Mr. McCormack gave an overview of the Company. They have 120-member team with half of them as investment professionals with an average of 28 years' experience. Mr. Fitzsimons works strictly on small cap growth and the team is 100% CFA on this fund. What makes them unique is their approach to investing with 5 equity teams and 1 large fixed income team that focus on international and emerging small cap to maintain consistency for their clients. They currently have 2 public funds in MACRS. Mr. Fitzsimons spoke to his team's approach to risk and working only on small cap growth is important in this fund. They focus on companies with fundamentally stable growth prospects. They utilize proprietary research to identify companies with potential to exceed market's implied expectations.

#### **11:05am -11:24am – Driehaus Capital Management**

At 11:05am -11:24am --Attending the interview for Driehaus Capital Management was William Hickey, Senior Vice President and Jeffrey James, Portfolio Manager. Mr. Hickey gave an overview of the Company. They are owned by the Trust of Richard Driehaus. Employee ownership and so Managers get a % of the portfolio if the fund does well. Team has been together for an average of 13 plus year. What makes them unique is their differentiated approach that identifies and capitalizes on persistent market inefficiencies. They feel life sciences, biotech, new therapies are an industry typically excluded by active managers, but their deep domain expertise and proven investment framework is a differentiator. They currently have 6 public funds in MACRS. Mr. James spoke to his team's approach. Richard Driehaus created an investment process that he taught Mr. James and this process continues today. A structured, repeatable process leads to a portfolio of mispriced securities. They identify and evaluate key growth drivers, sustainability of growth, points of differentiation and ability to exceed expectations.

After the interviews were completed the Board members completed their evaluations. Board Administrator Quinlan and Administrative Assistant Theresa Richards verified the votes and tallied the score sheets.

For the Small Cap Growth Manager search the score was Lord Abbett – 76, Segall, Bryant and Hamill – 73 and Driedhaus Capital Management -71. After some discussion, Board Member Matarazzo made a motion, seconded by Board Member Gannon and a Roll Call Cross -Y, DiBari -Y. Gannon -Y and Matarazzo -Y, the Board voted 4-0 in favor to hire Lord Abbett as the Investment Manager for the Small Cap Growth fund. 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.

#### **Minutes:**

A motion was made by Board Member Gannon and seconded by Board Member DiBari and after a Roll Call: Cross -Y, DiBari- Y. Gannon- Y and Matarazzo -Y the Board voted 4-0 in favor to approve the February 23, 2022, Regular 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, DiBari -Y, Gannon -Y and Matarazzo -Y, the Board voted 4-0 in favor to issue payment for:

- Retirement Board Expense Voucher #27-38 for the month of March 2022, for \$33,891.27
- Payroll Warrant #3/2022 for \$761,038.45
- Staff Payroll Warrant #3/2022 for \$16,209.60
- PRIT General Allocation to Private Equity Exchange on 3/1/2022 for \$81,252.25

#### **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, Gannon -Y and Matarazzo -Y, the Board voted 4-0 to include for membership in the Saugus Retirement System the following new employees:

- Kailey Murphy, Paraprofessional, School Department., Date of Hire & Membership is 2/28/2022– Contribution rate is 9%
- Kathleen Maffeo, Project Manager, School Department., Date of Hire & Membership is 2/28/2022– Contribution rate is 9% & 2%

**Retiree Death:**

Retiree Mildred Salsman, Principal Clerk for the School Department, passed away on February 23, 2022. She chose Option B at the time of Retirement and had depleted her annuity savings account leaving no further benefit after February 23, 2022.

**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 4-0 in favor to approve the refund of annuity savings account for the following members:

- Lisa LaFerla, School Department, resigned on 2/25/22. Saugus Service – 8/1/2015- 2/25/2022- 3% interest

**Items for Discussion:**

An application for retirement had been completed and submitted for Board approval for Bonnie Tanner, Purchasing Agent for the Town of Saugus. Shortly after her resignation she rescinded her retirement application. The application had not been voted on by the Board and no money had been paid out. As a formality Board member Matarazzo made a motion, seconded by Board Member DiBari and after a Roll Call: Cross-Y, DiBari -Y, Gannon -Y and Matarazzo- Y, the Board voted 4-0 to rescind Bonnie Tanner's application for Retirement.

All required paperwork had been completed and signed by the Town of Saugus and the Estate of Ron Atkinson allowing for the release of a check in the amount of \$5500.00 to the Estate.


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

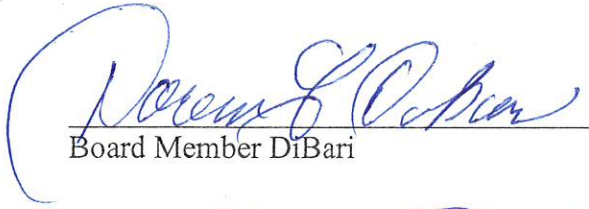
- Copies of the following will be available for review and/or discussion.
- PERAC Memo: #9/2022 – Extension of Open Meeting Law Waivers
- SEI Investment Report – Aristotle & LMCG- February 2022
- Rhumblin Investment Statement- February 2022
- Lord Abbett Statement- February 2022
- MFS Statement 2022
- PRIT Performance – February 2022
- PRIT – Exchange PEVY 3/1/2022 - \$81,252.25
- Peoples United Invoice 1/2022 - \$3,348.13
- PRIT -Auto Redemption – \$650,000.00
- Wainwright Meeting Review – January 2022 Review
- Attorney Sacco- Varies legal matters


**Adjournment of Open Meeting**

At 12:00 pm, Board Member Gannon made a motion, seconded by Matarazzo and a roll call was taken, Cross-Y, DiBari- Y, Gannon -Y, and Matarazzo-Y to adjourn the meeting.


APPROVED BOARD OF RETIREMENT:

  
Board Chairman Cross

  
Board Member DiBari

  
Board Member Gannon

  
Board Member Matarazzo

  
Board Administrator Quinlan