

**SAUGUS RETIREMENT BOARD MEETING**  
**November 22, 2022**

The regular meeting of the Saugus Retirement Board duly posted and held in the Town Hall Annex, 25R Main St, Saugus, MA on the above date was called to order at 12:03 p.m. by Chairman Cross, with Board Members Decareau, DiBari, Gannon and Matarazzo present.

In addition, present at this meeting were Board Staff Ann Quinlan and Theresa Richards. Wainwright Representatives: Michael Dwyer and Jeffrey Fabrizio were also present at the meeting. Joining the meeting via teleconference were Aristotle – Maria Katsileros & Dave Adams, LMCG – Jordan Cram & Christopher Sabo and MFS – Ann Marie Costello & Paul Garbe

**Minutes**

- Board Member DiBari made a motion, seconded by Board Member Gannon to approve the October 25, 2022, Open Meeting & Executive Meeting Minutes and sign them into the records. The Board voted 5-0 in favor.

**Payments:**

A motion made by Board Member Gannon and seconded by Board Member DiBari, voting 5-0 in favor to issue payment for:

- Retirement Board Expense Voucher #118-126 for the month of November for \$14,814.26
- Payroll Warrant #11/2022 for \$787,835.45.
- Staff Payroll Warrant #11/2022 for \$12,233.10.
- PRIT General Allocation to Private Equity Exchange on 11/1/2022 for \$130,167.07

**New Member**

A motion made by Board Member Gannon and seconded by Board Member DiBari, voting 5-0 in favor to include for membership in the Saugus Retirement System the following new employees:

- Babita Soni, Applied Behavioral Analyst, School Department. Date of Hire & Membership is 10/11/2022– Contribution rate is 9%
- Emily Grant, Program Coordinator, School Department. Date of Hire & Membership is 10/17/2022– Contribution rate is 9% +2%
- Maudeline Ciguene, Treasury Department, Utility Billing Mgr., Date of Hire & Membership is 10/31/2022- Contribution rate is 9% + 2%
- Emma Ancrum, School Department, Paraprofessional. Date of Hire & Membership is 11/14/2022 Contribution rate is 9%

**Retirements/Disabilities/Survivor Benefits**

Retirement Board Staff have verified that the necessary paperwork is in order and has determined applicants to be eligible for such benefits:

- A motion was made by Board Member Gannon, seconded by Board Member Matarazzo, and passed 5-0 to grant Superannuation retirements to the following:
  - **Building Department:** Doug Lennan, DOR: 11/18/22, YOS: 17.1667

**Transfer Out:**

Board Member Gannon made a motion, seconded by Board Member Matarazzo, voting 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:

- 104 • To the Essex Regional Retirement System – Tanya Moriello, School Department, Paraprofessional, Saugus Retirement Board accepted liability for 3 years and 27 days of service from 9/9/2019 - 9/30/2022.

**Deaths:**

Thomas Felice, spouse of Retiree Marilyn Felice, passed away on October 27, 2022. Mrs. Felice benefit will change to an Option C pop-up.

**Investments:**

Mike Dwyer gave an overview of September 2022, the third quarter review. As said last month September 2022 was the worst month so far in market activity having the lowest numbers. There is still concern a market crash is imminent with layoffs or a quick drop in inflation. Other key people feel the market is acting appropriately.

Mike Dwyer has spoken to Lord Abbett managers and would recommend the Board make a transfer before 12/31/2022. After some discussion Board Member DiBari made a motion, seconded by Board Member Matarazzo, and passed 5-0 to transfer \$1 million into the Small Growth Fund. All parties involved will be notified of the transfer and the Custodian Capital & distribution best practices will be followed.

Jeff Fabrizio reviewed the People's report which shows the total fund at \$130,281,114.00 as of September 30, 2022. The total fund YTD was down 15.38% however, the 3 year is at 5.74%. The Total general allocation was -14.96% YTD. The total equity fund was -22.32% YTD with Russell 1000 at -24.52% YTD, LMCG at -18.55% YTD and Aristotle at -19.98% YTD. International Equity – MFS had this fund less than a year, but the 9 months was -26.70% YTD. Rhumblin Core and Lord Abbett were -14.49% and -16.05% respectively. The PRIM core real estate was 7.80%. Total venture capital was 1.99% YTD and PRIM Hedge fund was -3.46% YTD.

Three investment managers: Aristotle, LMCG and MFS were on the agenda for their annual review. At 12:15pm – Maria Katsileros and Dave Adams presented for Aristotle. Dave Adams gave an overview of the firm. There have been no departures since the formation of the research team. The research team is a stable group of individuals with more than 25 years of industry experience. Maria Katsileros spoke to the investment strategy, which they seek companies with low expectations from the market and a high probability of fundamental improvement. Risk management is integrated throughout all stages of investment process. A disciplined process seeks to ensure risk management at both the company and portfolio level. She reviewed the market environment along with a performance overview of the fund.

At 12:35pm Jordan Cram and Christopher Sabo presented for LMCG. Jordan Cram introduced himself and Christopher Sabo to the Board. Christopher Sabo gave an overview of the fund having been founded in 2000. A firm of entrepreneurs focused solely on active asset management across the globe. They use a combination strategy of mid cap value and small/mid cap growth.

At 12:50pm Ann Marie Costello and Paul Garbe presented for MFS. Paul Garbe stated MFS hasn't done anything different in this difficult market. They have stayed the course with a long-term approach. Even in this market they still have outperformed the index. Ann Marie Costello stated no staff changes to the team. Their key concerns are the rising inflation and interest rates. They are looking at growth at a reasonable price. They create long-term value by allocating capital responsibly for investors.

**Items for Discussion:**

The Board had submitted Articles to the Board of Selectman in November 2021 for the next Special or regular Town Meeting. The 3 articles were added to the October 24, 2022 Town Meeting and unanimously approved.

Board Member Decareau made a motion, seconded by Board Member Gannon, and passed 5-0 to approve the following Articles with effective dates as follows:

**Acceptance of Legislation/Increase of Survivor Benefits:** the provisions of Section 29 and 30 of Chapter 176 of the Acts of 2011 to accept an increase to the minimum monthly allowance contained in G.L. c. 32, § 12(2)(d) for a member survivor allowance from \$250 to \$500; or take action related thereto. *Town Meeting approved October 24, 2022, Retirement Board approved on November 22, 2022 with effective date of 12/1/2022.*

**Acceptance of Legislation/Increase of Survivors Benefits:** the provisions of Section 28 of Chapter 131 of the Acts of 2010 to increase the benefit paid to survivors under Massachusetts General Law Chapter 21, Section 101 from \$6000.00 to \$12,000.00 annually; or take action related thereto. *Town Meeting approved October 24, 2022 Retirement Board approved on November 22, 2022 with effective date of 12/1/2022.*

**Acceptance of Legislation/Increase of COLA Base:** the provisions of Section 19 of Chapter 188 of the Acts of 2010, which amends Section 103 (j) of Chapter 32 of the Massachusetts General Laws giving the Contributory Retirement Board authority to increase the maximum base on which the cost-of-living increase is calculated for retirees of the Saugus Retirement System from \$14,000 to \$18,000; or take any action related thereto. *Town Meeting approved October 24, 2022. Retirement Board approved on November 22, 2022 with effective date of 12/1/2022.*

Submission of these Articles will be sent to PERAC for final approval.

The Board reviewed PERAC Memo #28 – Electronic Signatures. Board Member DiBari made a motion, seconded by Board Member Gannon, and passed 5-0 to not accept this practice at this time. PERAC will be notified of the Board's decision.

The Board is not receiving injury reports again for 111F or worker's compensation. The Retirement Board is requesting that a box be added to the bottom of the existing injury forms that states by checking this box, I allow a copy of this document to be sent to the Saugus Retirement Board. This would be much easier than adding another form for an injured employee to complete. The board will be updated once a reply is received.

Retirees that are turning age 65 that would normally not be eligible for Medicare are needing assistance with the Post 65 program. The Retirement Board has had to assist 2 retirees recently but this should be done by the Human Resource department as they are the correct Authority. The process is very difficult to manage without the correct steps to follow with Social Security.

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

- PERAC Memo #27/2022- Free State – sponsored Cybersecurity Training
- PERAC Memo #28 – Electronic Signatures – Board vote required to accept this practice
- SEI Investment Report-Aristotle & LMCG-October 2022
- Rhumblin Russell 1000 & Core Bond Investment Statements- October 2022
- Lord Abbett Statement- October 2022
- MFS Statement – October 2022
- PRIT Performance – October 2022
- PRIT – Exchange PEVY 11/3/2022 - \$130,167.07
- Peoples United Invoice 9/2022
- PRIT -Auto Redemption -11/23/2022– \$650,000.00

- 106 • Wainwright Meeting Review – September 2022 Review
- Trial Balance, Cash Receipts, Cash Disbursement, Adjustments, Eastern Bank (3) Account Statements, Peoples' Bank Account Statement, Treasurer's' Reconciliation- September 2022
  - Attorney Sacco- Various Legal matters

**Executive Session & Adjournment of Open Meeting**

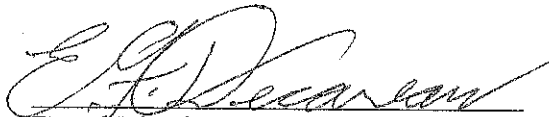
*At 1:15 pm, Board Member Gannon made a motion, seconded by Board Member Matarazzo and a roll call was taken, Cross-Y, Decareau -Y, DiBari -Y, Gannon -Y and Matarazzo-Y to enter Executive Session for the purpose of litigation strategy with the intent of not returning to Regular Session*

*At 1:45 pm, roll call was taken, Cross-Y, Decareau -Y, DiBari -Y, Gannon -Y and Matarazzo-Y to adjourn the meeting.*

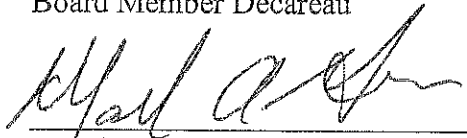
The next Board Meeting scheduled for Tuesday, December 20, 2022, at 11:00am.

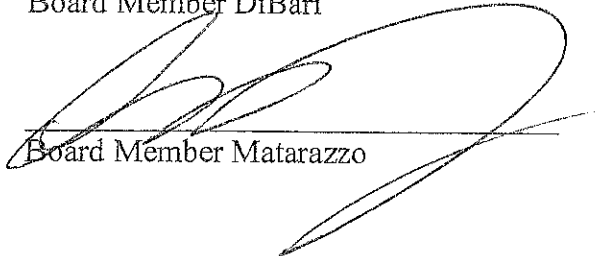
APPROVED BOARD OF RETIREMENT:

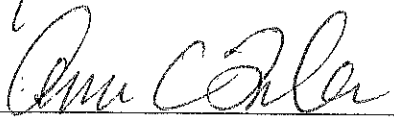
  
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Board Chairman Cross

  
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Board Member Decareau

  
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Board Member DiBari

  
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Board Member Gannon

  
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Board Member Matarazzo

  
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Board Administrator Quinlan