

SAUGUS RETIREMENT BOARD MEETING
December 20, 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 11:00 a.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 joined the meeting in person as well.

Minutes

- Board Member DiBari made a motion, seconded by Board Member Matarazzo to approve the November 22, 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 #127-137 for the month of December 2022, for \$64,041.84
- Payroll Warrant #12/2022 for \$805,337.94
- Staff Payroll Warrant #12/2022 for \$15,128.28
- PRIT General Allocation to Private Equity Exchange on 12/1/2022 for \$54,521.43

New Member

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

- Jeannette Colwell, Paraprofessional, School Department. Date of Hire & Membership is 11/28/2022-- Contribution rate is 9%
- Katelyn Valente, Board Certified Behavioral Analyst, School Department. Date of Hire & Membership is 11/14/2022-- Contribution rate is 9% +2%

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:

- To Everett Retirement System- Tony Wyman, Human Resource Department, Director. Saugus Retirement Board accepted liability for 2 years and 2 months (8/31/22-11/11/22). State Retirement System liability for 2 years and 3 months (5/27/18- 8/22/20) & Swampscott Retirement System liability for 2 years and 5 months (11/30/15-6/25/18).

Refund to Member

The Board noted that the following member took a refund, as approved on this month's expense voucher:

- Amal Naouadir, Paraprofessional, resigned 11/3/22 and refund effective 12/22/22. She has 10 months of creditable service and will receive 3% interest.

Investments:

Mike Dwyer spoke about the recent actions of the Federal Reserve. Around December 13th they increase the interest rate half a point. They have stated they are not done raising the rates. There are many experts stating there will be a recession while others are optimistic there will not be. It's recommended the Board stay the course it is on now.

Jeff Fabrizio reviewed the MT&T Bank's report which shows the total fund at \$134,319,275.00 as of October 31, 2022. The total fund YTD was down 12.34% however, the 3 year is at 6.55%. The Total general allocation was -13.19% YTD. The total equity fund was -15.19% YTD with Russell 1000 at -18.49% YTD, LMCG at -10.73% YTD and Aristotle at -9.09% YTD. International Equity – MFS had this fund less than a year, but the 10 months was -22.87% YTD. Rhumblin Core and Lord Abbett were -15.63% and -13.94% respectively. The PRIM core real estate was 8.41%. Total venture capital was 2.12% YTD and PRIM Hedge fund was -3.30% YTD. Although the market is in the negative, the system is outperforming most of the indexes.

Mike Dwyer noted that the portfolio manager for LMCG was let go for personnel issues and not to do with the management of the funds. The Board should not see any change in how the Investment Manager works as there was already another manager working on the fund prior to the personnel change.

Mike Dwyer discussed sending a standard letter to each Investment Manager in January regarding the new policy for transferring money between funds. This will be another layer of safety to protect the system. Each Investment Manager would sign off on the letter stating they are aware of the new policy.

Items for Discussion:

The Board reviewed PERAC Memo #29/2022 which allows for a one-time 5% Local COLA option for Fiscal Year 2023 – Chapter 269 of the Acts 2022. Board Member Gannon made a motion, seconded by Board Member Matarazzo, and passed 5-0 to grant a 5% COLA effective 7/1/2022. The Board received clarification from PERAC regarding the changing of the COLA base and the 5% will be on \$14,000.00 from 7/1/22-11/30/22 and then 5% on \$18,000.00 from 12/1/22-6/30/23. A letter will be sent to the Board of Selectman for their approval of the 5% COLA as required by the law. Should the Board of Selectman approve the new 5% COLA, the Board and its membership will be notified along with PERAC.

The Lord Abbett trade for \$1,000,000.00 will take place on 12/30/22 and the money will be wired on 1/3/2023. All parties involved have been notified of the transaction.

The Board received final approval letters from PERAC regarding S101, S12(2)(d) and COLA base increase to \$18,000.00. The S101 and S12 (2)(d) survivors have been paid effective 12/1/2022. The COLA increase was not paid as the Board was voting the 5% this month.

Attorney Sacco, Chief Ricciardelli and Christopher Taylor will all be notified of the Evidentiary hearing to be held on Tuesday, January 24, 2023 at 12:30pm.

A clarification in the statement of facts submitted for Richard Wells is being completed by Attorney Sacco.

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

- PERAC – FY2024 Annual Appropriation
- PERAC Memo #29/2022- 5% Local COLA option
- PERAC Memo #30 – Proposed Regulation Regarding Compliance with IRS Code
- PERAC Memo #32- Tobacco Company List
- Rhumblin Russell 1000 & Core Bond Investment Statements- November 2022

- Lord Abbett Statement- November 2022
- MFS Statement – November 2022
- PRIT Performance – November 2022
- PRIT – Exchange PEVY 12/1/2022 - \$54,521.43
- Peoples United Invoice 10/2022
- PRIT -Auto Redemption -12/2/2022– \$650,000.00
- Wainwright Meeting Review – October 2022 Review
- Trial Balance, Cash Receipts, Cash Disbursement, Adjustments, Eastern Bank (3) Account Statements, Peoples’ Bank Account Statement, Treasurer’s’ Reconciliation- October 2022
- Attorney Sacco- Various Legal matters

Adjournment of Open Meeting

At 11:58 am, Board Member Gannon made a motion, seconded by Board Member Matarazzo, and passed 5-0 to adjourn the meeting.

The next Board Meeting scheduled for Tuesday, January 24, 2023, at 12:00pm.

APPROVED BOARD OF RETIREMENT:



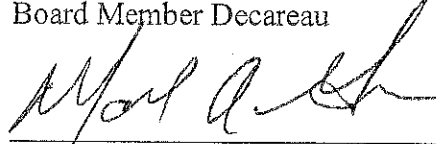
Board Chairman Cross



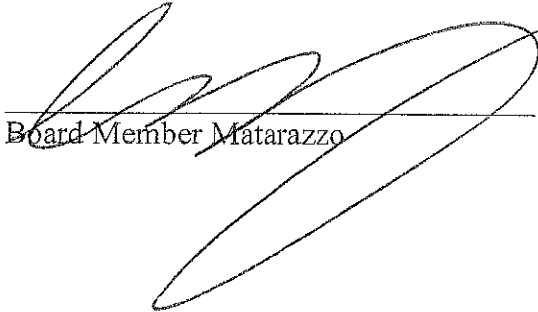
Board Member Decareau



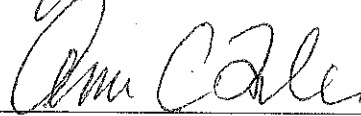
Board Member DiBari



Board Member Gannon



Board Member Matarazzo



Board Administrator Quinlan