

MINUTES OF MEETING HELD MONDAY, NOVEMBER 15, 2022

Chairman Thomas V. Thibaut, Jr. called the meeting of the Watertown Contributory Retirement Board to order at approximately 8:30 AM, Administration Building, 149 Main Street, Philip Pane Hearing Room. Board Members present at the meeting were, Chairman Thibaut; Mr. Thomas J. Tracy; Mr. John Loughran; Mr. Domenic Duke Arone. Ms. Kathleen Kiely-Becchetti was not in attendance. Staff members present were Director Barbara A. Sheehan and Administrative Assistant, Kayla Sheehan. Attorneys Thomas F. Gibson and Gerald McDonough were in attendance. Mr. Chris Rowllins & Mr. Richard Carey of Fiducient Advisors gave the investment review. Dan Sherman of Sherman Actuarial Services was present for the review of the January 1, 2022 actuarial study and City Manager, George Proakis was present for the discussion.

Confirm Next Monthly Meeting:

The next monthly meeting was scheduled for Tuesday, December 20, 2022.

It was decided that beginning with the January 2023 meeting, the monthly meetings will be held on the 3rd Wednesday of each month.

Chairman Thibaut suspended the regular order of business to hear Mr. Sherman's presentation on the results of the January 1, 2022 actuarial valuation.

City Manager, George Proakis arrived at the meeting during the beginning of the presentation. Chairman Thibaut welcomed Mr. Proakis, introduced him to the Board Members and the Board's professional colleagues. Mr. Sherman gave an overview of the System's actuarial position, Mr. Rowllins brought the manager up to date on the financial picture of the System's investment portfolio and Attorney Gibson commented on the Board's history of accomplishments and their unique ability to work together for the members and beneficiaries of the System.

At the conclusion of Mr. Sherman's presentation and detailed discussion:

A MOTION WAS MADE AND SECONDED TO ADOPT THE OPTION B FUNDING SCHEDULE TO INCLUDE A \$14,000.00 COLA BASE AND A 7.7% ASSUMED INVESTMENT RATE OF RETURN. SO VOTED

At the conclusion of the discussion and subsequent vote, Mr. Sherman and Mr. Proakis left the meeting.

Examination of Minutes:

From meetings held on Tuesday September 20, 2022 & October 17, 2022

A MOTION WAS MADE AND SECONDED TO APPROVE MINUTES AS AMENDED. SO VOTED

Note Deaths of Members/Beneficiaries:

Applications For Member Survivor Allowance:

A MOTION WAS MADE AND SECONDED TO APPROVE THE APPLICATION FOR MEMBER SURVIVOR ALLOWANCE. SO VOTED

Review PERAC Correspondence:

MEMO'S:

#27/2022	10/21/22	Free State-sponsored Cybersecurity Training
#28/2022	11/02/22	840 CMR 28.00 Electronic Signatures

Review Applications For Benefits:

Applications For Membership:

A MOTION WAS MADE AND SECONDED TO APPROVE APPLICATIONS FOR MEMBERSHIP. SO VOTED

Superannuation Retirement:

A MOTION WAS MADE AND SECONDED TO APPROVE APPLICATION FOR SUPERANNUATION RETIREMENT. SO VOTED

Review Warrants

A MOTION WAS MADE AND SECONDED TO APPROVE THE WARRANTS AS AMENDED.

SO VOTED

Director's Report:

Director Sheehan reported that PERAC has approved the Board's decision to grant ADR benefits to Richard Farrow. Effective retirement date = 10/31/22.

Committee Reports:

There were no committee reports.

Legal Update:

Attorney McDonough gave a report to the Board on Director Sheehan's court appearance and testimony in the case of Kathleen Donahue v. the City of Watertown.

Attorneys Gibson and McDonough reported and commented on pending Board issues as well as general retirement issues of interest.

At the conclusion of the legal update, Attorneys Gibson and McDonough left the meeting.

Old/Unfinished Business:

There was no other old/unfinished business discussed other than the valuation which was covered at the beginning of the meeting.

New Business:

There was no new business discussed.

Investment Review:

Mr. Rowllins and Mr. Carey conducted the investment review.

The following managers underwent an annual investment manager review pursuant to 840 CMR 16.07. The managers presented performance and investment reports to the Board in advance, detailing the manager's activities which the Board reviewed. All presentations were conducted remotely.

- Income Research & Management – Core Bond Fund
- Eaton Vance Investment Managers – High Yield Fund
- Brandywine Global Investment Management – Global Opportunistic Bond Fund
- PineBridge Investments –
- Global Dynamic Asset Allocation
- Columbia Threadneedle Investments – U.S. Contrarian Core Equity Fund
- Aristotle Capital Management – International Equity CIT
- MFS International – Institutional Equity Fund

At the conclusion of the investment manager reviews, Mr. Rowllins reviewed with the Board the Q3/2022 investment performance. The market value of investments at the end of Q3/2022 totals \$ 230,203,549. The Board seemed satisfied with the report.

Mr. Rowllins reviewed a history of the PRIT Private Equity Year Vintage Year Investments. His recommendation is to commit \$3,000,000. to the 2023 PRIT Vintage Year.

A MOTION WAS MADE AND SECONDED TO COMMIT \$3,000,000 TO THE PRIT PRIVATE EQUITY VINTAGE YEAR 2023.

SO VOTED

The status of the Unconstrained Fixed Income RFP was discussed. Responses are due November 21st. The status of the Emerging Markets Fund was also discussed.

AT THE CONCLUSION OF THE INVESTMENT REVIEW A MOTION WAS MADE AND SECONDED TO ADJOURN THE MEETING AT 10:50 AM.

SO VOTED