

**WATERTOWN
CONTRIBUTORY
RETIREMENT
SYSTEM**

Administration Building
149 Main Street
Watertown, MA 02472

Phone: 617-972-6456
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We're on the Web!
www.watertownretirement.com

2017 Payment Schedule

Jan—01/31/17
Feb—02/28/17
Mar—03/31/17
Apr—04/28/17
May—05/31/17
Jun—06/30/17
Jul—07/31/17
Aug—08/31/17
Sep—09/29/17
Oct—10/31/17
Nov—11/30/17
Dec—12/29/17

www.watertownretirement.com

The Watertown Retirement System has recently updated the System's website. For Active and Retired Member Information, links to related websites, access to downloadable forms, copies of up to date Meeting Agenda's and helpful publications, including Group Percentage Charts, please visit us at

www.watertownretirement.com

If it's Important, Please Call Ahead!

We welcome all members and beneficiaries to visit the retirement office. If you have a question or problem that needs special information or serious consideration, we want to be fully prepared to give you the help and time you need. That's why it's important whenever possible that we know in advance that you are coming.

Also, there are times when both staff members may be attending the same meeting and the office may be closed. Calling ahead may save a wasted trip.

Although it is not always necessary to make an appointment, the more advance notice we have that you are coming, especially for benefit counseling, the more information we will have prepared in advance. This saves time and ensures you receive accurate information in your area of concern.

Please call (617) 972-6456 or email:
bsheehan@watertownretirement.com
ksheehan@watertownretirement.com

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BOARD MEMBERS:

THOMAS V. THIBAUT, JR.
Chairman & Elected Member

THOMAS J. TRACY
Ex-Officio & Vice Chairman

DOMENIC "DUKE" ARONE
Elected Member

JOHN T. LOUGHRAN
Appointed Member

KATHLEEN KIELY-BECCHETTI
Fifth Member

STAFF:

BARBARA A. SHEEHAN
Director
bsheehan@watertownretirement.com

KAYLA J. SHEEHAN
Administrative Assistant
ksheehan@watertownretirement.com

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Watertown Retirement System News

Summer 2017

In Memory of Joseph A. Toscano

On March 17, 2017, the Town of Watertown and the Watertown Fire Department suffered a tragic loss. Joseph A. Toscano was a 20 year veteran of the Watertown Fire Department, and a member of the Watertown Retirement System. He leaves behind his wife of 25 years, and five children.



In addition to his many duties as a firefighter and Aide for Deputy Chief Bob Quinn, Joseph would also cook for his group members at the station. He was known around town as the "ultimate family man", as well as an all around great guy. He was the type of person who would put others' needs before his own, which made him the great firefighter that he was. The world lost a loving husband, an amazing father and a true hero on that fateful morning, and he will be missed by many.

The board members and staff of the Watertown Retirement System would like to send out our sincere condolences to the Toscano Family, as well as the members of the Watertown Fire Department.

A fund has been set up to assist the Toscano Family in this time of need. Checks can be made payable to:

**Watertown Firefighters Relief Association
Attn: Toscano Family
99 Main Street
Watertown, MA 02472**

Investment Portfolio Update as of December 2016

The Watertown Retirement System’s investment portfolio returned 6.5% in calendar year 2016, net of investment management fees. The portfolio is well diversified by asset class and investment mandates within each asset class. The portfolio is positioned with a total return orientation to best meet the System’s long-term return objectives.

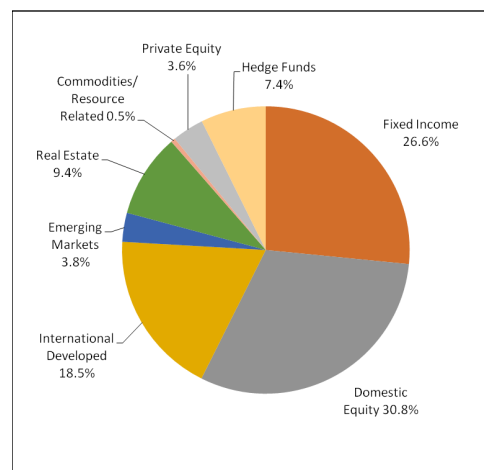
Market Commentary:

The condition of the U.S. economy is, perhaps, most fittingly regarded with guarded optimism. The environment is buoyed by a solid job market, a healthier and more confident consumer, and an expanding housing industry. U.S. GDP expanded at an annual rate of 3.5% in the third quarter, the strongest quarterly pace of growth in two years. Economies outside the U.S. remain in a somewhat more unsettled state, inhibited by a strong U.S. dollar, more modest growth, and political uncertainty. Pockets of data, however, may foreshadow an improving backdrop internationally, with markers in the Eurozone, China and Japan trending more favorably recently.

Domestic equity returns, particularly in U.S. Small Cap equities, were among the strongest within capital markets in 2016. Overall, investments considered higher risk and lower quality outperformed across most asset classes. Investors’ search for yield drove riskier sectors of the fixed income markets sharply higher with the credit and high yield markets outperforming U.S. Treasuries by significant margins. Rising interest rates in the fourth quarter led to one of the weakest quarters on record in the broad fixed income markets. Still, bond markets finished the year in positive territory. International equity returns, while positive overall for the year, were held back by tempered expectations for global economic growth and continued strength in the U.S. dollar. Emerging markets outperformed developed markets on improved prospects for more robust growth.

Non-traditional asset classes including real estate and commodities performed well in 2016, posting returns in the mid to low double digits. The HFRI Fund of Funds Composite Index, a broad representation of hedge fund performance, posted a marginal gain for the year. Returns in the asset class were largely dependent on investment focus. Strategies with inherently more risk performed better. In sync with the broader equity and fixed income markets, investors were well compensated for taking on additional risk.

Asset Allocation by Asset Class



Year End Market Value

\$154.2 Million

Investment Performance

	WRS Net of Fees
2016	6.5%

Board Approved 3% COLA—Maximum Amount Allowed by State Law

At its monthly meeting, held on March 21, 2017, the Watertown Retirement Board unanimously voted to grant a 3% Cost of living Adjustment (COLA) to eligible retirees and beneficiaries of the retirement system. The 3% increase, applied to the first \$13,000.00 of the retirement allowance, is the maximum increase allowed by Massachusetts State Law. The COLA increase is effective July 1, 2017 and will be included in the pension checks dated July 31, 2017. The maximum monthly increase is \$32.50 and is payable to all retirees with effective retirement dates on or before June 30, 2016.

The Importance of Retiree Health Care

In Massachusetts, health care for retired public workers is provided by the retiree’s employer. The retirement board’s role is limited to the withholding of premium contributions from a retiree’s monthly allowance. A retirement board has no input as to plan design, insurance options or coverage. However, it is imperative that our members understand what will happen to their health insurance upon retirement, and what the cost of benefits will be for themselves and their family.

Health insurance plans differ in terms of when coverage starts after retirement, spousal coverage, or options if you move out of state. The Town of Watertown provides coverage through the State’s Group Insurance Commission (GIC). The cost for retiree health coverage is significant and the availability of continued coverage should be a major factor in every decision to retire. We encourage you to ask questions early of you employer, and, where necessary, seek written answers to your questions. All questions regarding health Insurance coverage should be directed to the Auditor’s office at **(617) 972-6460**

Board Members & Staff to Attend Annual Retirement Conference

The Massachusetts Association of Contributory Retirement Systems (MACRS) will once again be holding their annual meeting and spring conference in Hyannis, MA from June 4-8, 2016.

Due to the importance of the education provided at the conference, retirement office staff, Director, Barbara Sheehan and Administrative Assistant, Kayla Sheehan will be attending the conference along with several Board Members. Therefore, in order to allow for their attendance:

THE RETIREMENT OFFICE WILL BE CLOSED FROM MONDAY, JUNE 5 - WEDNESDAY, JUNE 7, 2017
The office will reopen on Thursday, June 8, 2017
Please plan your retirement business accordingly.