

**MINUTES OF MEETING HELD TUESDAY, NOVEMBER 20, 2018**

Chairman Thibaut called the meeting of the Watertown Contributory Retirement Board to order at 8:30 AM, Administration Building, 149 Main Street, Philip Pane Hearing Room. Board Members present were Chairman Thibaut, Mr. Thomas J. Tracy, Mr. John T. Loughran, Mr. Domenic Duke Arone and Ms. Kathleen Kiely-Becchetti. Also in attendance were Attorney Thomas F. Gibson and Attorney Gerard McDonough. Mr. Christopher Rowllins conducted the investment review.

**Confirm Next Monthly Meeting:**

The next monthly meeting was confirmed for December 18, 2018.

**Examination of Minutes:**

From meeting held on Tuesday September 18, 2018.

**A MOTION WAS MADE AND SECONDED TO APPROVE THE MINUTES OF SEPTEMBER 18, 2018 AS WRITTEN. SO VOTED**

From meeting held on Tuesday October 23, 2018

**A MOTION WAS MADE AND SECONDED TO TABLE THE MINUTES OF October 23, 2018 AS WRITTEN. SO VOTED**

**Review PERAC Correspondence:**

**MEMO'S:**

#32/2018 11/05/18 Procurement

**PROSPER Procurement:**

PERAC has acknowledged receipt of information regarding the Board's selection of PineBridge for their investment in the PineBridge Global Dynamic Asset Allocation Fund.

PERAC has acknowledged receipt of information regarding the Board's selection of Wellington Management Co. for their investment in the WTC-CIF Opportunistic Investment Portfolio.

**Executive Session:**

Executive Session under Purpose 7 of the Open Meeting Law: To comply with, or act under the authority of, any general...law...", that law being Exemption (c) of the Public Records Law (G.L. c. 4, s. 7(26)(c)) exempting personnel and medical files or information and other materials or data relating to a specifically named individual, the disclosure of which may constitute an unwarranted invasion of personal privacy.

Accidental Disability Retirement Application – Robert Malone, Fire Dept.  
Board to Review Medical Panel Reports

Accidental Disability Retirement Application – Hugo Reyes, DPW  
Board to Review Medical Panel Reports

**A MOTION WAS MADE AND SECONDED TO GO INTO EXECUTIVE SESSION. A ROLL CALL VOTE WAS TAKEN AND RECORDED AS FOLLOWS:**

Mr. Arone	-	YES
Mr. Loughran	-	YES
Mr. Tracy	-	YES
Ms. Kiely-Becchetti	-	YES
Chairman Thibaut	-	YES

It was noted that the Board would return to open session at the conclusion.

**A MOTION WAS MADE AND SECONDED TO APPROVE THE ADR APPLICATION FILED BY MR. MALONE SUBJECT TO PERAC REVIEW:**

Mr. Arone	-	YES
Mr. Loughran	-	YES
Mr. Tracy	-	YES
Ms. Kiely-Becchetti	-	YES
Chairman Thibaut	-	YES

**A MOTION WAS MADE AND SECONDED TO APPROVE THE ADR APPLICATION FILED BY HUGO REYES SUBJECT TO PERAC REVIEW:**

Mr. Arone	-	YES
Mr. Loughran	-	YES
Mr. Tracy	-	YES
Ms. Kiely-Becchetti	-	YES
Chairman Thibaut	-	YES

**A MOTION WAS MADE AND SECONDED TO RETURN TO OPEN SESSION. A ROLL CALL VOTE WAS TAKEN AND RECORDED AS FOLLOWS:**

Mr. Arone	-	YES
Mr. Loughran	-	YES
Mr. Tracy	-	YES
Ms. Kiely-Becchetti	-	YES
Chairman Thibaut	-	YES

It was agreed that the aforesaid votes would be noted in the minutes of open session.

**Review Applications for Benefits:**

**Transfers of Deductions to Other Retirement Systems:**

**Mary Izzo** – School Dept., Instructional Asst.

Membership Service:	09/01/16 – 08/30/17
Transferring To:	MA Teachers' Retirement System
<b>TOTAL DEDUCTIONS &amp; INTEREST:</b>	<b>\$3,487.39</b>
Total Board Liability:	1.0000 Year

**A MOTION WAS MADE AND SECONDED TO APPROVE REQUEST FOR TRANSFER OF DEDUCTIONS. SO VOTED**

**Mary Lemos** – School Dept., Data Systems Administrator

Membership Service:	07/24/17 – 09/14/18
Transferring To:	Plymouth County Retirement Board
<b>TOTAL DEDUCTIONS &amp; INTEREST:</b>	<b>*\$38,145.25</b>
Total Board Liability:	1.0833 Years

*\*Includes Funds from Prior Service*

**A MOTION WAS MADE AND SECONDED TO APPROVE REQUEST FOR TRANSFER OF DEDUCTIONS. SO VOTED**

**Kelly Higgins** – School Dept., Instructional Asst.

Membership Service:	10/16/17 – 11/29/17
Transferring To:	Lowell Retirement Board
<b>TOTAL DEDUCTIONS &amp; INTEREST:</b>	<b>\$317.99</b>
Total Board Liability:	0.833 Years

**A MOTION WAS MADE AND SECONDED TO APPROVE REQUEST FOR TRANSFER OF DEDUCTIONS. SO VOTED**

**Creditable Service Purchase:**

**Makeup:**

**Barbara Stewart** – School Department, Administrative Asst.  
Requesting to purchase non-membership Watertown service from 1979-1986 when she was employed by the School Department in various positions wherein she was ineligible for membership.

**Total Cost - \$12,716.14 – Total Service = 3 Years & 7 Months**

Requesting to pay \$8,205.07 in lump sum and payroll deductions of \$70.00 per pay period until balance paid in full.

**A MOTION WAS MADE AND SECONDED TO APPROVE BUYBACK AS AMENDED.**

**SO VOTED**

**Superannuation Retirement:**

**B. Victoria Norvaisa** – Police Dept., Records Clerk

Retirement Date: 11/22/18 (Deferred)

Service: 12 Years & 6 Months

Veteran Status: N

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

**SO VOTED**

**Donna Maher** – School Dept., Instructional Asst.

Retirement Date: 11/06/18

Service: 27 Years & 1 Month

Veteran Status: N

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

**SO VOTED**

**Review Warrants:**

1146-18	Monthly Refunds & Transfers	41,950.63
1147-18	Monthly Vendor Expenses	2,472.03
1148-18	Transfer - Eastern Vendor to Eastern Payroll	500,000.00
1149-18	Transfer – People's United to Eastern Payroll	655,967.52
1150-18	Pension Payroll – 2018/11	1,159,524.08
1151-18	PRIT Private Equity Vintage Year	86,925.46
1152-18	Salaries & Stipends – 2018/11	18,891.12

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

**SO VOTED**

**Director's Report:**

Cash Books & Trial Balance Reports

The Board reviewed and approved the following reports for period ending September 30, 2018 which were prepared by Director Sheehan and submitted to PERAC.

- Adjustments Journal
- Cash Receipts Journal
- Cash Disbursements Journal
- Trial Balance
- Cash Reconciliations for accounts #1040, #1041, & #1043

Director Sheehan also reported on the status of the transition from State Street to People's Bank as the System's new custodian bank.

Director Sheehan has provided PERAC with their requested information to determine if Watertown's ADR retirees who have reported earned income for 2017 have not over earned, pursuant to MGL c.32 s91A . A total of 7 retirees reported earnings for 2017. Based upon the information, PERAC has determined that retiree Brian Rand has exceeded his

allowable earnings by a total of \$43,932.76, Mr. Rand was contacted and informed of his repayment options. He has submitted payment in full via lump sum payment.

**Committee Reports:**

A final draft of the winter newsletter was put before the Board for approval.

**A MOTION WAS MADE AND SECONDED TO TABLE APPROVAL OF THE NEWSLETTER PENDING MORE TIME FOR THE BOARD TO REVIEW. SO VOTED**

**Old/Unfinished Business:**

RFP Legal Services:

Director Sheehan reported that there was one response to the RFP for Legal Services prior to the deadline. That response was submitted by current Legal Counsel, Thomas F. Gibson. The Board reviewed the response submitted by Attorney Gibson. It was agreed that the legal services provided by Attorney Gibson are beyond satisfactory and it was unanimously decided to re-hire Attorney Gibson.

**A MOTION WAS MADE AND SECONDED TO REHIRE ATTORNEY THOMAS F. GIBSON TO PROVIDE LEGAL SERVICES TO THE BOARD. SO VOTED**

FY20 Funding Schedule:

Mr. Tracy reported to the Board the recent email exchanges between himself and PERAC actuary, Jim Lamenzo regarding the Board's funding schedule. It was agreed to proceed with what the Board had already submitted to PERAC with the understanding that Mr. Lamenzo has concerns with the adopted schedule which he outlined in the email exchange with Mr. Tracy and will include in his appropriation letter.

**New Business:**

2017 Melanson Heath Audit Draft:

Mr. Tracy and Mr. Loughran had issues with Melanson, Heath's report.

**A MOTION WAS MADE AND SECONDED TO TABLE THE DRAFT REPORT TO ALLOW MR. TRACY AND MR. LOUGHRAN TIME TO HAVE THEIR QUESTIONS ANSWERED. SO VOTED**

**Travel/Education:**

Mr. Arone reported on the NCPERS Public Safety Conference he recently attended. Materials are located in the Retirement Office for interested Board members to review.

**Legal Update:**

The Board was informed of the status of pending Board issues as well as general retirement issues of interest. Specifically, the Board was reminded of that the oral arguments on the pension forfeiture case of Joseph Deignan are scheduled for Thursday, December 6, 2018. In addition, the issue of the 5<sup>th</sup> week vacation buyback was discussed. Retirement deductions will no longer be withheld from these payments and they will most likely not be considered regular compensation going forward. Further instructions will be forthcoming. At the conclusion of the Legal Update, Attorney Gibson left the meeting.

**Investment Review:**

Mr. Rowlin reviewed for the Board the 3<sup>rd</sup> Quarter investments. The market value of investments as of September 30, 2018 total \$201,075,876. The Board seemed satisfied with the investment report.

**A MOTION WAS MADE AND SECONDED TO COMMIT \$3.5 MILLION TO THE PRIT PRIVATE EQUITY VINTAGE YEAR PROGRAM FOR 2019. SO VOTED**

**Annual Manager Reviews:**

The following managers underwent an annual investment manager review pursuant to 840 CMR 16.07. The managers presented performance and investment reports detailing the manager's activities which the Board reviewed via conference call.

- Income Research & Management – Core Bond Fund
- Eaton Vance Investment Managers – High Yield Fund
- Brandywine Global Investment Management – Global Opportunistic Bond Fund
- Columbia Threadneedle Investments – U.S. Contrarian Core Equity Fund
- Lee Munder Capital Group – Mid Cap Core Collective Fund
- Wellington Management Company – Small Cap 2000 Portfolio  
(It was noted that The Opportunistic Fund was not covered since they presented as finalists at the last meeting.)
- PRIT Domestic Equity, Hedge Funds, Real Estate and Vintage Year Private Equity Portfolios

**Adjournment:**

**A MOTION WAS MADE AND SECONDED TO ADJOURN THE MEETING AT 10:40 AM.**

**SO VOTED**