

MINUTES OF MEETING HELD TUESDAY, NOVEMBER 21, 2017

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 was Attorney Thomas Gibson. Mr. Anthony Tranghese of Fiduciary Investment Advisors conducted the investment review.

Confirm Next Monthly Meeting:

The next monthly meeting was scheduled for Tuesday, December 19, 2017.

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:

Mario Orangio, Fire Chief:

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 ACCIDENTAL DISABILITY RETIREMENT APPLICATION FILED BY FIRE CHIEF MARIO ORANGIO 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.

Attorney Gibson presented the Board with a proposed posting for the Board's website, bulletin board and request that PERAC post it on their website, outlining the steps to be taken by parties interested in applying for the Board's Fifth Member Position currently held by Kathleen Kiely-Becchetti. The posting was approved with minor amendments.

Attorney Gibson left the meeting at 9:15 am.

Examination of Minutes:

From meeting held on Tuesday September 19, 2017.

A MOTION WAS MADE AND SECONDED TO APPROVE MINUTES AS WRITTEN.

SO VOTED

Note Deaths of Members/Beneficiaries

Florence Merullo – Died 08/25/17

Option C Beneficiary of Eugene Merullo, Sr. retired Fire Captain
Mr. Merullo is eligible for Option C Pop Up.

A MOTION WAS MADE AND SECONDED TO RECALCULATE BENEFITS UNDER OPTION A.

SO VOTED

Susan Wade – Died 10/14/17

Option C Beneficiary of Thomas Wade, retired WHA Executive Director.
Mr. Wade is eligible for Option C Pop-Up.

A MOTION WAS MADE AND SECONDED TO RECALCULATE BENEFITS UNDER OPTION A.

SO VOTED

Mario Orangio – Died 11/07/17

Retired 10/14/17 – Fire Chief
SuperAnnuation Retirement, Option C (*Pending Accidental Disability Retirement*)
Beneficiary on File

Review PERAC Correspondence:

MEMO'S:

- | | | |
|----------|----------|---|
| #33/2017 | 11/01/17 | New Fraud Prevention Poster |
| #34/2017 | 11/02/17 | Administrator's Training (November 14, 2017) – Location Change |

Joseph Connarton:

- | | |
|----------|--|
| 08/03/17 | The Watertown Retirement Board shall reimburse the Cambridge Retirement System \$1,174.21 per year toward the retirement allowance of Kathleen Fitzgerald who retired 03/28/17. This represents 19.23052% of total service. (<i>Ineligible for re-calculation</i>) |
| 08/28/17 | The Watertown Retirement Board shall reimburse the Waltham Retirement System \$41.66 per year toward the retirement allowance of Gilda LeBlanc who retired 08/25/07. This represents 1.51545% of total service. (<i>Ineligible for re-calculation</i>) |
| 09/11/17 | The Watertown Retirement Board shall reimburse the Teachers' Retirement System \$10,284.23 per year toward the retirement allowance of Jane Holden who retired 06/30/16. This represents 24.54545% of total service. (<i>Request for modified calculation sent to PERAC</i>) |
| 10/31/17 | PERAC has approved the retirement calculation of Elizabeth Sahakian . Calculation approved as submitted.

The Middlesex Retirement Board shall reimburse the Watertown Retirement System \$1,603.22 per year toward the retirement allowance of Elizabeth Sahakian who retired 08/18/17. This represents 4.16679% of total service.

The Teachers' Retirement Board shall reimburse the Watertown Retirement System \$3,320.90 per year toward the retirement allowance of Elizabeth Sahakian who retired 08/18/17. This represents 8.63107% of total service.

The State Retirement Board shall reimburse the Watertown Retirement System \$4,695.04 per year toward the retirement of Elizabeth Sahakian who retired 08/18/17. This represents 12.20250% of total service. |
| 11/03/17 | PERAC has approved the amount to be appropriated for FY19. |
| 11/20/17 | PROSPER Procurement:
PERAC has acknowledged receipt of information regarding the Board's selection of Eaton Vance Management for their investment in the Eason Vance High Yield Fund. |

Review Applications For Benefits:

Transfers of Deductions to Other Retirement Systems:

Padraig Martin – Health Dept., Sanitary Inspection
Membership Service: 12/29/14 – 09/23/17
Transferring To: Arlington Retirement Board
TOTAL DEDUCTIONS & INTEREST: *\$27,500.61
Total Board Liability: 2.6667 Years
**Includes Prior Service with Taunton*

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

Leah Kass – School Dept., Instructional Asst.
Membership Service: 09/01/14 – 06/30/17
Transferring To: Newton Retirement Board
TOTAL DEDUCTIONS & INTEREST: *\$8,722.70
Total Board Liability: 3.0000 Years
**Includes Prior Service with Newton*

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

Courtney Hopkins – School Dept., Instructional Asst.
Membership Service: 11/16/16 – 08/17/17
Transferring To: Newton Retirement Board
TOTAL DEDUCTIONS & INTEREST: \$2,668.47
Total Board Liability: 0.7500 Years

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

Robert Martinello – Fire Dept., Firefighter
Membership Service: 07/19/15 – 08/26/17
Transferring To: Cambridge Retirement Board
TOTAL DEDUCTIONS & INTEREST: \$14,797.94
Total Board Liability: 2.0833 Years

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

Michael E. McNeil – School Dept., Instructional Asst.
Membership Service: 09/16/16 – 06/30/17
Transferring To: Newton Retirement Board
TOTAL DEDUCTIONS & INTEREST: \$2,200.27
Total Board Liability: 0.7500 Years

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

Superannuation Retirement:

Robert Knell – Police Dept., Patrol Officer
Retirement Date: 02/21/18
Service: 34 Years & 4 Months
Veteran Status: N

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

Kevin Boudreau – School Dept., Junior Custodian
Retirement Date: 11/30/17
Service: 13 Years & 3 Months
Veteran Status: N

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

Beverly Jones – WHA, Financial Manager
Retirement Date: 01/05/18
Service: 31 Years
Veteran Status: N

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

Applications For Membership:

Kelly Higgins	School Dept.	Instructional Asst.	30 Hrs.	Gr. 1	10/16/17
Meghan Murphy	Police Dept.	Patrol Dept.	38.45 Hrs.	Gr. 4	10/13/17
Matthew Callahan	Fire Dept.	Firefighter	42 Hrs.	Gr. 4	10/22/17
James Coutoumas	Recreation	Recreation Supervisor	37.5 Hrs.	Gr. 1	10/10/17
Heather Gonzales	School Dept.	Instructional Asst.	30 Hrs.	Gr. 1	10/02/17
Lori Kabel	School Dept.	Director of Public Bldgs	37.5 Hrs.	Gr. 1	09/26/17
Yeranouhie Dawidian	School Dept.	Cafeteria Worker	30 Hrs.	Gr. 1	09/18/17
Jeffrey Bodner	School Dept.	Coor of Youth & Adult Programming	37.5 Hrs.	Gr. 1	09/18/17

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

Review Warrants:

1057-17	Refunds & Transfers	55,889.99
1058-17	Monthly Vendor Expenses	13,450.45
1059-17	Fund Transfer 1041 - 1043	160,000.00
1060-17	Fund Transfer 1040 - 1043	970,096.99
1061-17	Pension Payroll – 2017/11	1,131,154.28
1062-17	Staff Salaries & Stipends 2017-11	18,891.16

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

Director's Report

The Board reviewed and approved the following reports for period August & September, 2017 which were prepared by Director Sheehan and submitted to PERAC.

- Adjustments Journal
- Cash Receipts Journal
- Cash Disbursements Journal
- Trial Balance
- Reconciled bank statements for accounts #1040, #1041, #1042 & #1043

It was also reported that effective January, 2018, the Retirement Office will be changing to Eastern Bank for the pension payroll and vendor accounts.

Committee Reports:

Newsletter/ Discussion:

The winter 2017 edition of the newsletter was presented to the board for review.

A MOTION WAS MADE AND SECONDED TO APPROVE THE NEWSLETTER SUBJECT TO MINOR GRAMATICAL CORRECTIONS. SO VOTED

Old/Unfinished Business:

It was agreed to hire Melanson, Heath to conduct the retirement system audits for 2016 & 2017 at a rate of \$6,000.00 per audit. Attorney Gibson has confirmed that issuing an RFP is not required for auditing services.

New Business:

There was no new business discussed.

Travel/Education:

Ms. Kiely-Becchetti reported that she will be attending NCPERS Legislative Conference as President of MACRS. Also, that the new MACRS website is now up on the internet.

Investment Review:

Mr. Tranghese reviewed with the Board their 3rd Quarter investment performance. The market value of the portfolio as of 09/30/17 totals \$181,858,215. The Board seemed very satisfied with the report.

The initial evaluations to the Real Estate RFP's were reviewed and discussed at length.

A MOTION WAS MADE AND SECONDED TO SELECT AS FINALISTS FOR INTERVIEWS AT THE JANUARY MEETING, AMERICAN REALTY, BROOKFIELD, TA REALY AND UBS REALTY. SO VOTED

A MOTION WAS MADE AND SECONDED TO ISSUE AN RFP FOR A DISTRESSED REAL ESTATE MANAGER FOR AN INVESTMENT UP TO \$2,000,000. 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

Brandywine Global Investment Management

Columbia Contrarian Core Equity Private Fund

Lee Munder, Mid Cap Core Collective Fund

Wellington – Opportunistic Investment Allocation and Small Cap Equity Funds

PRIT – Domestic Equity, Hedge Funds and Real Estate

The Board reviewed and compared the managers' performance with the retirement system's investment goals and policies. The Board ensured that comprehensive written quarterly reports were filed with the Board and with PERAC, and that these reports included a review of investment performance and relative performance, a review of the system's investments, and a report on the investment manager's current investment outlook or forecast as well as strategy for the future, and key personnel staffing changes.

The Board determined that the investment managers continue to operate in the manner represented when retained and outlined in the agreement between the Board and the manager.

A MOTION WAS MADE AND SECONDED TO COMMIT \$3,000,000. TO THE PRIT PRIVATE EQUITY VINTAGE YEAR 2018 FUND. SO VOTED

A MOTION WAS MADE AND SECONDED TO ADJOURN THE MEETING AT 10:45 AM. SO VOTED