

MINUTES OF MEETING HELD TUESDAY, JULY 18, 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 were Attorney Thomas Gibson, Mr. Chris Rowllins of Fiduciary Investment Advisors and Mr. Dan Sherman of Sherman Actuarial Services.

Confirm Next Monthly Meeting:

The next monthly meeting was scheduled for Tuesday, August 15, 2017. The September meeting was scheduled for Tuesday, September 19, 2017.

Examination of Minutes:

From meeting held on Monday June 19, 2017.

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

Review PERAC Correspondence:

MEMO'S:

#19/2017	06/16/17	PROSPER System Changes
#20/2017	06/15/17	Application of New Public Records Law on Local, County and Regional Retirement Boards

It was noted that the public records law requires Board Minutes to be posted on the System's website, effective July 1, 2017.

John Parsons:

06/14/17 PERAC has determined that Eugene J. Merullo remains unable to perform the essential duties of his job.

Review Applications For Benefits:

Transfers of Deductions to Other Retirement Systems:

Kathleen Santolucito – School Dept., COTA

Membership Service:	02/06/04 – 06/20/07
Transferring To:	MA Teachers Retirement System
TOTAL DEDUCTIONS & INTEREST:	\$11,914.28
Total Board Liability:	4.5833 Years

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

SO VOTED

Rachel A. Morgan – School Dept., Instructional Asst.

Membership Service:	09/01/12 – 09/16/16
Transferring To:	MA Teachers Retirement System
TOTAL DEDUCTIONS & INTEREST:	\$15,416.78
Total Board Liability:	4.0000 Years

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

SO VOTED

Kelsey Murphy – Police Dept., Parking Enforcement

Membership Service:	07/18/16 – 06/17/17
Transferring To:	Concord Retirement Board
TOTAL DEDUCTIONS & INTEREST:	\$1,625.19
Total Board Liability:	0.8333 Years

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

SO VOTED

Patricia Mihelich – CDP, Principle Acct. Clerk
Membership Service: 10/15/13 – 05/16/14
Transferring To: Winchester Retirement Board
TOTAL DEDUCTIONS & INTEREST: \$1,347.18
Total Board Liability: 0.5833 Years

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

SO VOTED

Refund of Accumulated Deductions:

Anthony Torra – CDP, Assistant Building Inspector
Membership Service: 10/24/16 – 06/01/17
Refund of Deductions: \$15,671.05
Refund of Interest: \$20.59
20% Federal Tax Withheld: *\$0.00
NET REFUND TO MEMBER: \$15,691.64

*Rollover

Includes Funds Transferred In From Essex Regional Retirement System.

A MOTION WAS MADE AND SECONDED TO APPROVE REFUND OF DEDUCTIONS.

SO VOTED

Stephanis Grand-Pierre – School Dept., Instructional Asst.

Membership Service: 09/12/16 – 06/30/17
Refund of Deductions: \$1,976.86
Refund of Interest: \$10.53
20% Federal Tax Withheld: (\$397.48)
NET REFUND TO MEMBER: \$1,589.91

A MOTION WAS MADE AND SECONDED TO APPROVE REFUND OF DEDUCTIONS.

SO VOTED

Tess Amendola – School Dept., Instructional Asst.

Membership Service: 09/01/16 – 06/23/17
Refund of Deductions: \$2,292.61
Refund of Interest: \$13.01
20% Federal Tax Withheld: (\$461.12)
NET REFUND TO MEMBER: \$1,844.50

A MOTION WAS MADE AND SECONDED TO APPROVE REFUND OF DEDUCTIONS.

SO VOTED

A MOTION WAS MADE AND SECONDED TO APPROVE A ROLLOVER REQUEST FOR MAUREEN TOSCANO, SURVIVING SPOUSE OF JOSEPH TOSCANO IN THE AMOUNT OF \$129,814.09.

SO VOTED

Creditable Service Purchase:

Re-Deposit:

Demerice Pallone - Currently a member of the MA Teachers' Retirement System. Requesting to redeposit a refund issued 05/28/04 for service rendered from 09/18/00 – 06/20/02 when she was employed by the Watertown School Department.

Total Refund - \$2,268.58. Total Liability = 1 Year & 9 Months

A MOTION WAS MADE AND SECONDED, AFTER PROPER MAKEUP, TO ACCEPT LIABILITY FOR ONE YEAR & 9 MONTHS OF SERVICE.

SO VOTED

Review Warrants:

1030-17	Refunds & Transfers	180,102.17
1031-17	Monthly Vendor Expenses	39,220.95
1032-17	Fund Transfer 1041 - 1043	240,000.00
1033-17	Fund Transfer 1040 – 1043	879,680.42
1034-17	Pension Payroll – 2017/07	1,119,680.42

1035-17	PRIT Private Equity Vintage Year - Purchase	827.04
1036-17	Staff Salaries & Stipends 2017/07	12,339.48

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 April-May, 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

Election Notices were mailed to all inactive and retired members of the System, to all Town Departments and the Watertown Housing Authority. In addition, the information has been posted on the website. Nomination Papers are available and due back by Tuesday, August 27.

Committee Reports:

Newsletter/Website Discussion:

There was a brief discussion about the newsletter schedule and the website updates.

Old/Unfinished Business:

There was no old/unfinished business discussed.

Travel/Education:

It was noted that the MACRS Fall conference conflicts with the NCPERS Public Safety Conference. Both conferences are scheduled for October 1-4, 2017.

A MOTION WAS MADE AND SECONDED TO REGISTER ALL INTERESTED BOARD MEMBERS & STAFF TO ATTEND THE NCPERS PUBLIC SAFETY CONFERENCE OR THE FALL MACRS CONFERENCE.

SO VOTED

Legal Update:

Attorney Gibson updated the Board on the System's pending cases as well as others of interest to the Board. At the conclusion of his report, Chairman Thibaut thanked him and he left the meeting.

Investment Review:

Mr. Rowlin informed the Board that due to internal changes within BlackRock Global and the lack of proper notification, FIA is recommending total liquidation of the fund and presented a Cash Flow Worksheet outlining how they recommend reallocating the funds.

A MOTION WAS MADE AND SECONDED TO FOLLOW THE RECOMMENDATION OF FIA AND TERMINATE/LIQUIDATE THE BLACKROCK GLOBAL FUND AND REALLOCATE BASED UPON THEIR RECOMMENDATION.

SO VOTED

The investment performance for the month of May was reviewed and discussed. The market value of the portfolio as of May 31, 2017 totals \$161,358,257. The Board seemed satisfied with the report.

Mr. Rowlin reported on his negotiations with Brandywine and their fee negotiability. Due to a favorite nations clause, they are unable to adjust their management fees.

A MOTION WAS MADE AND SECONDED TO RETAIN BRANDYWINE AND CONTINUE THEIR INVESTMENT IN THE BRANDYWINE GLOBAL OPPORTUNISTIC FIXED INCOME FUND.

SO VOTED

The status of the High Yield RFP was discussed. There were 15 respondents. Guggenheim declined to respond. FIA will present their complete report at the next monthly meeting.

Mr. Rowlin provided an overview of real estate investments for the Board to use in consideration of their potential upcoming search for a real estate manager.

New Business

Board Organization – Election of Officers:

A MOTION WAS MADE AND SECONDED TO NOMINATE THOMAS V. THIBAUT, JR. TO CONTINUE AS CHAIRMAN OF THE WATERTOWN RETIREMENT BOARD. SO VOTED

A MOTION WAS MADE AND SECONDED TO NOMATE THOMAS J. TRACY TO CONTINUE AS VICE CHAIRMAN OF THE WATERTOWN RETIREMENT BOARD. SO VOTED

Board to Review 01/01/17 Actuarial Valuation Study:

Dan Sherman reviewed in detail and discussed with the Board at length the results of the Actuarial Study. Mr. Sherman was asked to provide additional scenarios for review. It was decided that Town Manager, Michael Driscoll and the Director of the Watertown Housing Authority should be invited to the September meeting. In the meantime, Mr. Tracy can discuss variations with Mr. Sherman and Mr. Driscoll.

A MOTION WAS MADE AND SECONDED TO ADJOURN THE MEETING AT 11:15 AM. SO VOTED