

## MINUTES OF MEETING HELD TUESDAY, DECEMBER 19, 2017

Chairman Thibaut called the meeting of the Watertown Contributory Retirement Board to order at 8:30 AM, Administration Building, 149 Main Street, Town Council Chamber. 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, and Attorney Gerard McDonough. Mr. Chris Rowlins of Fiduciary Investment Advisors conducted the investment review.

### **Confirm Next Monthly Meeting:**

The next monthly meeting was scheduled for Tuesday, January 16, 2018.

### **Examination of Minutes:**

From meetings held on Tuesday October 17, 2017 & November 21, 2017.

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

**SO VOTED**

### **Note Deaths of Members/Beneficiaries**

**Mary Platt** – Died 11/17/17

Option C Beneficiary of Robert T. Platt retired WHA Maintenance Worker.

Mr. Platt is eligible for Option C Pop Up.

### **Review PERAC Correspondence:**

#### **MEMO'S:**

#35/2017	11/30/17	Forfeiture of Retirement Allowance for Dereliction of Duty by Members
#36/2017	12/11/17	Information Needed for Calculation Approvals
#37/2017	12/11/17	3(8)(c) Reimbursements and PERAC Calculation Policy 15-001
#38/2017	12/11/17	2017 Disability Data

### **Joseph Connarton:**

10/27/17 The Watertown Retirement Board shall reimburse the Middlesex Retirement System \$2,736.85 per year toward the retirement allowance of Joyce Cheng who retired 09/30/17. This represents 20.85870% of total service  
(Ineligible for re-calculation)

**A MOTION WAS MADE AND SECONDED TO APPROVE REIMBURSEMENT. SO VOTED**

The Watertown Retirement Board shall reimburse the Framingham Retirement System \$19,441.59 per year toward the retirement allowance of Steven Ward who retired 10/31/17. This represents 60.93313% of total service.  
(Ineligible for re-calculation)

**A MOTION WAS MADE AND SECONDED TO APPROVE REIMBURSEMENT. SO VOTED**

10/31/17 PERAC has approved the retirement calculation of Karen Norton. Calculation approved as submitted.

The State Retirement Board shall reimburse the Watertown Retirement System \$6,766.14 per year toward the retirement allowance of Karen Norton who retired 09/15/17. This represents 16.70633% of total service.

11/03/17 Required Fiscal Year 2019 Appropriation = \$18,448,742.00

### **PROSPER - DISABILITY:**

PERAC has approved the Board's decision to grant ADR benefits to Mario Orangio. ADR Application defaults to Option B – Annuity Savings Balance = \$247,337.22.  
(Pending application for Accidental Death benefits.)

### **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 Death Application** - Sandra Orangio, Surviving Spouse of Mario Orangio

**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 DEATH APPLICATION FILED BY SANDRA ORANGION SUBJECT TO PERAC REVIEW. 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

**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:**

**Talene Hatzadourian** – School Dept., Instructional Asst.

Membership Service: 09/08/15 – 12/03/15  
Transferring To: Belmont Retirement Board

**TOTAL DEDUCTIONS & INTEREST: \$654.39**

Total Board Liability: 0.1667 Years

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

**Amanda Dutton** – School Dept., Instructional Asst.

Membership Service: 11/30/15 – 08/17/17  
Transferring To: Middlesex County Retirement Board

**TOTAL DEDUCTIONS & INTEREST: \$4,825.85**

Total Board Liability: 1.6667 Years

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

**Refund of Accumulated Deductions:**

**Seta Sullivan** – School Dept., Instructional Asst.

Membership Service: 01/25/10 – 10/13/17

Refund of Deductions: \$15,120.69

Refund of Interest: \$1,740.01

20% Federal Tax Withheld: (\$3,372.14)

**NET REFUND TO MEMBER: \$13,488.56**

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

**George Donahue** – Town Clerk's Office, Principle Account Clerk

Membership Service: 01/02/14 – 01/04/16

Refund of Deductions:	\$8,093.54
Refund of Interest:	\$590.24
20% Federal Tax Withheld:	*(\$0.00)
<b>NET REFUND TO MEMBER:</b>	<b>\$8,683.78</b>

\*Rollover

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

**Superannuation Retirement:**

**Susan Falkoff** – Town Council, Councillor  
Retirement Date: 01/01/18  
Service: 12 Years  
Veteran Status: N

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

**Applications For Membership:**

Stephen Helberg	School Dept.	Instructional Asst.	30 Hrs.	Gr. 1	10/30/17
Ashley Moore	School Dept.	Instructional Asst.	30 Hrs.	Gr. 1	10/30/17
Dayna Chinsky	School Dept.	Instructional Asst.	30 Hrs.	Gr. 1	11/13/17
Lyndsey Cyr	School Dept.	Instructional Asst.	30 Hrs.	Gr. 1	10/30/17
Cara O'Neill	Assessors	Asst. Assessors	37.5 Hrs.	Gr. 1	11/13/17
Elvira Watson	Recreation	Provisional Head Clerk	37.5 Hrs.	Gr. 1	11/13/17
Lisa Boyd	School Dept.	Instructional Asst.	30 Hrs.	Gr. 1	11/20/17

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

**Creditable Service Purchase:**

**Makeup:**

**Deborah Dunn** – Council on Aging, Program Coordinator Requesting to purchase non-membership Watertown service from 1993-1996 when she was employed by the Council on Aging a position wherein she was ineligible for membership.

**Total Cost = \$6,166.77 – Total Service 2 Years & 10 Months**

Requesting to pay via payroll deductions of \$50.00/pay period.

**A MOTION WAS MADE AND SECONDED TO APPROVE PURCHASE FOR CREDITABLE SERVICE. SO VOTED**

**Review Injury Reports:**

Charles Dupuis	Police	05/08/17	#01
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**Review Warrants:**

1064-17	Refunds & Transfers	14,164.02
1064-17A	Refunds & Transfers	16,860.70
1065-17	Monthly Vendor Expenses	1,437.04
1065A-17	Postage – Newsletter	490.00
1066-17	Fund Transfer 1041 - 1043	200,000.00
1067-17	Fund Transfer 1040 - 1043	935,257.48
1068-17	Pension Payroll – 2017/12	1,135,257.48
1069-17	PRIT Private Equity Vintage Year	174,711.81
1070-17	Staff Salaries & Stipends 2017-12	20,011.50

**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 October, 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 the initial contact with Melanson, Heath has been made to conduct the Retirement Systems' audits for 2016 & 2017.

**Committee Reports:**

Newsletter/Website Discussion:

It was reported that the newsletters will be put in the US Mail by the end of the day.

**Old/Unfinished Business**

Ms. Keily-Becchetti was the only candidate responding to the Board's posting for the Fifth Member position. Her letter of intent and resume were submitted prior to the deadline posted by the Board. There was a Board discussion held regarding her qualifications.

**A MOTION WAS MADE AND SECONDED TO APPOINT KATHLEEN KIELY-BECCHETTI TO THE POSITION OF FIFTH MEMBER OF THE WATERTOWN RETIREMENT BOARD FOR A TERM TO COMMENCE ON FEBRUARY 1, 2018 AND EXPIRE ON JANUARY 31, 2021. A ROLL CALL VOTE WAS TAKEN AND RECORDED AS FOLLOWS:**

Mr. Arone	-	YES
Mr. Loughran	-	YES
Mr. Tracy	-	YES
Chairman Thibaut	-	YES

Ms. Kiely-Becchetti did not participate in the vote.

**New Business:**

There was no new business discussed.

**Travel/Education:**

There was no travel/education discussed.

**Legal Update:**

PERAC has acknowledged the process the Board used to hire Eaton Vance. Attorney Gibson will draft a side letter to be signed by both parties.

Attorney Gibson updated for the Board the status of recent cases of interest to the Board. At the conclusion of the meeting, the Attorneys left the meeting.

**Investment Review:**

Mr. Rowlins reviewed with the Board the portfolio's investment performance through October, 2017. The market value of the fund totals \$182,735,309.00. The Board seemed very satisfied with the performance.

Mr. Rowlins reviewed FIA's recommendations to raise \$1.8 million in cash to meet benefit payments and expenses through March 2017. The recommendations included redemptions from PRIT Domestic Equity Fund, Columbia US Contrarian Core Equity Fund and Wellington Small Cap 2000 fund.

**A MOTION WAS MADE AND SECONDED TO APPROVE FIA'S RECOMMENDATION TO RAISE CASH TO MEET BENEFIT PAYMENTS AND EXPENSES THROUGH MARCH, 2017. SO VOTED**

It was acknowledged that the RFP recently issued for Distressed Real Estate was cancelled due to a classification error on FIA's part. After further discussion it was decided to continue with the Board's plan and issue the RFP for the proper classification "Value Added" Real Estate.

**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.

Earnest Partners International Equity Pooled Group Trust

MFS Intl International Equity Fund

Acadian International Small Cap Fund  
Intercontinental REIR III and IV  
Arsenal Real Estate Fund IA  
Auda Ventures, L.P.  
RCP Fund IV, L.P.

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 ADJOURN THE MEETING AT 10:40 AM.**

**SO VOTED**