

MINUTES OF MEETING HELD AUGUST 22, 2024

Chairman Thomas V. Thibaut, Jr. called the meeting of the Watertown Contributory Retirement Board to order at approximately 8:30 AM, Administration Building, 149 Main Street, Philip Pane Hearing Room. Board Members present at the meeting were, Chairman Thibaut; Mr. John Loughran; Mr. Domenic Duke Arone; Ms. Megan Langan and Ms. Kathleen Kiely-Becchetti. Staff Members present were Executive Director Kayla J. Sheehan and Administrative Assistant, Lisa DiPietrantonio. Attorney Thomas F. Gibson was in attendance. Mr. Chris Rowlin & Mr. Richard Carey of Fiducient Advisors gave the investment review. Mr. Dan Sherman was present for the discussion regarding the funding schedule, as was City Manager, George Proakis.

Confirm Next Monthly Meeting:

The next monthly meeting was scheduled for Monday, September 16, 2024

Examination of Minutes:

From meeting held on July 18, 2024

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

SO VOTED

Chairman Thibaut requested that the Old/Unfinished Business and Investment Review be moved up in the agenda to accommodate for Mr. Dan Sherman, Mr. George Proakis, Mr. Chris Rowlin & Mr. Richard Carey.

Old/Unfinished Business:

Board to Review 01/01/24 Actuarial Valuation

Mr. Dan Sherman reviewed with the Board and City manager, George Proakis, who was present for this portion of the meeting, the various funding schedule scenarios he had prepared. The Chairman expressed his goal to increase retiree's benefits, and the Board discussed the current COLA base compared to surrounding communities and the State and Teachers' Retirement Systems. At the request of the Board, Mr. Sherman will provide a new chart showing different COLA Base increase scenarios using the current 7.65% interest rate and will provide such to the Board at their next meeting scheduled for Monday, September 16th. Both Mr. Sherman and Mr. Proakis were invited to attend that meeting.

Board to Discuss COLA Base Increase

NO ACTION TAKEN AT THIS TIME

Investment Review:

2nd Quarter 2024 Quarterly Investment Review:

Mr. Rowlin & Mr. Carey gave a detailed performance analysis of the System's investment portfolio for the 2nd quarter of 2024. The Board seemed satisfied with the report. The market value of assets totals \$264,230,011.

RFP Updates:

High Yield Fixed Income – Evaluations in Process: Expect to present at September meeting.

Global Fixed Income – Brandywine termination process complete, with redemption proceeds reinvested across other fixed income investments.

Fiducient recommended to adjust the weighting of the pension portfolio's domestic equity benchmark to more accurately reflect the portfolio's asset allocation across large, mid and small capitalization stocks.

A MOTION WAS MADE AND SECONDED TO APPROVE A BLENDED DOMESTIC EQUITY BENCHMARK CONSISTING OF THE RUSSELL 3000 AND RUSSELL 2000 INDICES, AS RECOMMENDED BY FIDUCIENT ADVISORS. SO VOTED

Note Deaths of Members/Beneficiaries:

A MOTION WAS MADE AND SECONDED TO APPROVE FINAL BENEFITS PAYMENT DUE TO DECEASED RETIREE. SO VOTED

Review PERAC Correspondence:

MEMOS:

#19/2024	07/31/21	Reinstatement to Service under G.L. c. 32 § 105
#20/2024	07/31/24	Cost of Living Adjustment for Supplemental Dependent Allowance Paid to Accidental Disability Retirees and Accidental Death Survivors
#21/2024	08/14/24	New Anti-Spiking Exemptions
#22/2024	08/14/24	New Standard for Calculating Public Sector Retirement Work Limitations

Review Applications for Benefits:

Applications for Membership:

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

Transfers of Deductions to Other Retirement Systems:

A MOTION WAS MADE AND SECONDED TO APPROVE TRANSFERS OF DEDUCTIONS TO OTHER RETIREMENT SYSTEMS. SO VOTED

Refund of Accumulated Deductions:

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

Superannuation Retirement:

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

Review Injury Reports:

Review Warrants:

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

Director's Report:

Executive Director Sheehan reported that the June Cash Books have all been submitted to PERAC through PROSPER. The following reports were prepared by Executive Director Sheehan and distributed to the Board members.

- Trial Balance
- Cash Receipts Journal
- Cash Disbursements Journal
- Adjustments Journal

- General Ledger
- Reconciled Bank Statements for accounts #1040, #1041, #1042 & #1043

During the PERAC Audit, it was found that the August – October 2019 executive session minutes were never reviewed to determine if they should still remain concealed. After review, it was found that the August 20, 2019 executive session was in reference to Accidental Disability and the Board determined that those should remain concealed. The September 24 & October 15, 2019 executive sessions were in reference to litigation that has since been closed.

A MOTION WAS MADE AND SECONDED TO RELEASE THE SEPTEMBER 24 & OCTOBER 15, 2019 EXECUTIVE SESSION MINUTES. VOTED 4-1

Ms. Kiely-Becchetti voted against releasing the executive session minutes.

It was also found during the PERAC audit that there was a 91A over earnings refund re-calculation sent out in 2020 regarding Accidental Disability retiree's 2017 excess earnings that was not received. This re-calculation resulted in retiree owing the Watertown Retirement System an additional \$3,423.00. Retiree requested that the Board allow him to repay this amount in 3 payment installments.

A MOTION WAS MADE AND SECONDED TO ALLOW MR. RAND TO REPAY THE ADDITIONAL \$3,423 IN 3 PAYMENT INSTALLMENTS. SO VOTED

Executive Director Sheehan has provided PERAC with their requested information to determine if Watertown's ADR retirees who have reported earned income for 2023 have not over earned, pursuant to MGL c.32 s91A . Based upon the information, PERAC has determined that 1 retiree has exceeded his allowable earnings by a total of \$23,582.64. Retiree will be contacted and informed of his repayment options.

Attorney Gibson drafted a Board Credit Card Regulation to be reviewed and adopted by the Board. The board recently applied for a credit card with Eastern Bank but has not received an approval as of the date of the meeting. Ms. Kiely-Becchetti suggested that the Board wait until they receive the approval before they adopt the regulation.

Executive Director Sheehan drafted a Surplus Property Notice to be posted on the Board's website and the office bulletin board to outline the 4 old iPad's, 1 Microsoft Surface & 1 HP Color LaserJet printer.

A MOTION WAS MADE AND SECONDED TO HAVE EXECUTIVE DIRECTOR SHEEHAN POST RFP FOR ACTUARIAL SERVICES. SO VOTED

Committee Reports:

Executive Director Sheehan provided the Board with the 2024 Summer Newsletter Draft. The front-page article was in reference to the recently signed HERO Act legislature. The Board requested that that specific article be edited to include more information about the Board's as well as Representative Lawn's initial efforts in changing this legislation. The new draft with those edits will be presented at the September Board meeting.

New Business:

There was no new business was discussed.

Legal Update:

Attorney Gibson reported and commented on pending Board issues as well as general retirement issues of interest.

At the conclusion of the legal update, Attorney Gibson left the meeting.

A MOTION WAS MADE AND SECONDED TO ADJOURN THE MEETING AT 11:30AM

SO VOTED