

MINUTES OF MEETING HELD NOVEMBER 15, 2023

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, Council Chamber. Board Members present at the meeting were, Chairman Thibaut; Mr. John Loughran; Ms. Megan Langan; Mr. Domenic Duke Arone and Ms. Kathleen Kiely-Becchetti. Staff Members present were Executive Director Kayla J. Sheehan and Administrative Assistant, Lisa DiPietrantonio. Attorney Gerry McDonough was in attendance. Mr. Chris Rowlins, Mr. Richard Carey and Mr. Jeff Mitchell of Fiducient Advisors gave the investment review.

Confirm Next Monthly Meeting:

The date for the December monthly meeting of the Board was confirmed for December 21, 2023.

Examination of Minutes:

From meeting held on Thursday October 19, 2023

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

Examination of Executive Session Minutes:

From meeting held on September 20, 2023

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

Note Deaths of Members/Beneficiaries:

A MOTION WAS MADE AND SECONDED TO APPROVE FINAL BENEFITS PAYMENTS OF DECEASED RETIREES/BENEFICIARIES. SO VOTED

Review PERAC Correspondence:

MEMOS:

- #23/2023 11/01/23 Paid Family and Medical Leave ("PFML") & Supplemental Payments
- #24/2023 11/01/23 Outsourced Chief Investment Officer (OCIO) Policy
- #25/2023 11/01/23 Cybersecurity Training

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

Review Warrants:

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

Director's Report:

Cash Books for period ending September 30, 2023

The Board reviewed and approved the following reports for period ending September 30, 2023 which were prepared by Executive Director Sheehan and submitted to PERAC.

- Cash Receipts Journal
- Cash Disbursements Journal

- Adjustments Journal
- Trial Balance
- General Ledger
- Cash Reconciliations for accounts #1040, #1041 & #1043

Executive Director Sheehan reported to the Board that she reached out to Jeffrey Lydon from Lydon & Murphy Insurance to see if the fact that the Board switched over to Office 365 would address the "low risk" item on the Cyber Risk Assessment. Mr. Lydon came back to say that that update did improve the assessment, but because the assessment was already exceptionally good, Coalition had priced their policy based on their best tiering and that at this point the original quote is their best offer. Executive Director Sheehan returned the application for Cyber Insurance with Lydon & Murphy and is now insured by Coalition.

Due to the age of the copier/fax machine in the retirement office, the service contract with Ricoh was terminated on 09/30/23. Executive Director Sheehan reported that the annual maintenance fee for the periods between 09/01/23 – 09/30/24 was already paid to Ricoh due to an error on the billing department at Ricoh's fault. The Board will be receiving a refund for the amount paid in error. The cost of the new equipment will be around \$7,500.00.

A MOTION WAS MADE AND SECONDED TO ALLOW THE STAFF TO PURCHASE THE NEW COPIER/FAX MACHINE FOR THE OFFICE. SO VOTED

Committee Reports:

Executive Director Sheehan reported that she will draft a Winter Newsletter to be approved at the next meeting, scheduled for December 21, 2023.

Old/Unfinished Business:

Board to Review 2021 Audit Draft

DISCUSSION: Mr. Loughran will reach out to Mr. Fentross to discuss finalizing the 2021 Audit.

New Business:

Review Fifth Member Application

DISCUSSION: 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 superb qualifications.

A MOTION WAS MADE AND SECONDED TO RE-APPOINT KATHLEEN KIELY-BECCHETTI AS THE FIFTH MEMBER OF THE WATERTOWN RETIREMENT BOARD FOR A THREE YEAR TERM TO EXPIRE JANUARY 31, 2027. SO MOVED

Legal Update:

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

At the conclusion of the Legal panel, Mr. McDonough left the meeting.

Investment Review:

Mr. Carey gave a detailed performance analysis of the System's investment portfolio for the 3rd quarter of 2023. The Board seemed satisfied with the report. The market value of assets totals \$243,812,654.

Upcoming RFP for International Small Cap Equity (incumbent: Acadian)

MOTION TO HAVE FIDUCIENT ISSUE RFP FOR INTERNATIONAL SMALL CAP EQUITY. SO MOVED

ABS Emerging Markets Fund – Initial Investment Update:

PERAC has issued their acknowledgement letter, therefore the Board can move forward with the subscription process.

The side letter has been completed and signed by both ABS and Chairman Thibaut.

Fiducient is in the process of working to draft the subscription paperwork in order to aim for a 01/01/24 investment date.

PRIT VY2024 Commitment:

MOTION TO COMMIT \$3,000,000 TO VINTAGE YEAR 2024. SO MOVED

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.

- Brandywine Global Investment Management – Global Opportunistic Bond Fund
- MFS Institutional – Institutional International Equity Fund
- Acadian – International Small Cap Fund & Emerging Markets Equity LLC
- TA Realty – Core Property Fund
- PRIT – Domestic Equity, Hedge Funds, Real Estate & Vintage Year Private Equity Portfolios

A MOTION WAS MADE AND SECONDED TO ADJOURN THE MEETING AT 10:25AM. SO VOTED