

MINUTES OF MEETING HELD TUESDAY, NOVEMBER 16, 2021

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, Town Council Chamber. Board Members present at the meeting were, Chairman Thibaut; Mr. John Loughran Mr. Domenic Arone and Ms. Kathleen Kiely-Becchetti. Mr. Thomas J. Tracy was not in attendance. Staff members present were Director Barbara A. Sheehan and Administrative Assistant, Kayla Sheehan. Attorney Thomas F. Gibson was also in attendance. Mr. Chris Rowlin of Fiducient Advisors was present for the Investment Review and the annual investment manager reviews.

Confirm Next Monthly Meeting:

The next monthly meeting was scheduled for Monday December 13, 2021.

Examination of Minutes:

From meeting held on Tuesday October 19, 2021.

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

SO VOTED

Review PERAC Correspondence:**MEMO'S:**

#28/2021	10/19/21	Buying Back Elected Official Service Time
#29/2021	10/22/21	Expansion of Post-Retirement Work in the Public Sector
#30/2021	10/26/21	Investment Fraud Alert
#31/2021	10/29/21	2021 Pension Fraud Prevention Campaign

Review Applications For Benefits:**Applications For Membership:**

Megan Pelletier	DPW	Management Analyst-Water/Sewer	37.5 Hrs.	Gr. 1	10/18/21
Juan Carlos Mercado	Library	Junior Custodian	40 Hrs.	Gr. 1	10/19/21
Dina Costanzo	Police	Public Safety Dispatcher	40 Hrs.	Gr. 1	10/12/21
Olivia Fields	WHA	Resident Service Coordinator	37.5 Hrs.	Gr. 1	08/16/21

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

SO VOTED

Refund of Accumulated Deductions:

Kristen E. Bousquet-Sinibaldi – School Dept., Asst. Business Manager

Membership Service: 07/23/18 – 07/01/21

Refund of Deductions: \$20,961.83

Refund of Interest: \$952.44

20% Federal Tax Withheld: (\$4,382.85)

NET REFUND TO MEMBER: \$17,531.42

A MOTION WAS MADE AND SECONDED TO APPROVE THE APPLICATIONS FOR REFUND.

SO VOTED

Transfers of Deductions to Other Retirement Systems:

Teresa M. Leonard – Police Dept., Police Officer

Membership Service: 05/28/98 – 04/23/04

Transferring To: State Retirement System

TOTAL DEDUCTIONS & INTEREST: \$25,632.20

Total Board Liability: 4.9166 Years

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

SO VOTED

Creditable Service Purchase:

Patricia Richardson – Resident Service Manager, WHA, requesting to purchase non-membership service during 2007 - 2014 when she was employed by the Watertown Housing Authority ineligible for membership in the Retirement System.

Total (pro-rated) Service = 5 Years & 10 Months

Total Cost for Service = \$17,634.97

Ms. Richardson has elected to pay via a rollover from an eligible retirement plan.

A MOTION WAS MADE AND SECONDED TO APPROVE THE APPLICATION FOR PURCHASE OF CREDITABLE SERVICE. SO VOTED

Review Warrants:

1406-21	Refunds & Transfers	47,546.47
1407-21	Monthly Vendor Expenses	8,114.05
1408-21	Fund Transfer – Eastern Vendor to Eastern Payroll	250,000.00
1409-21	Fund Transfer – People's United to Eastern Payroll	1,017,477.35
1410-21	Pension Payroll – 2021/11	1,267,477.35
1411-21	Salaries/Stipends	13,699.80
1412-21	PRIT – Private Equity Vintage Year	239,034.97
1413-21	Transfer – Eastern Vendor to People's United	112,000.00

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

Director's Report:

Cash Books for periods ending September 30, 2021:

The Board reviewed and approved the following reports for periods ending September 30, 2021, which were prepared by Director Sheehan and submitted to PERAC.

- Cash Receipts Journals
- Cash Disbursements Journals
- Adjustments Journals
- Trial Balance Reports
- General Ledgers
- Cash Reconciliations for accounts #1040, #1041, & #1043

A report on the status of 2020 91A compliance was given. It was reported that the overearnings of Sharon Rand Italiane have been paid in full. Retiree, Eugene Merullo has still not complied in full. It was decided, to allow Mr. Merullo additional time to obtain copies of his tax returns and to notify him of his right to a hearing prior to taking action on his retirement allowance.

Committee Reports:

There were no Committee Reports

Old/Unfinished Business:

Review/Adopt Funding Schedule:

In the absence of Mr. Tracy it was decided not to adopt a new funding schedule.

Discussion/Possible Vote on Retiree COLA Base Increase:

The Board reviewed and discussed several options and scenarios regarding increasing the COLA Base. Since it was confirmed by PERAC that the Board could adopt a funding schedule which included an increase in the COLA Base prior to the COLA base increase being approved by the Town Council:

A MOTION WAS MADE AND SECONDED TO SUPPORT A RETIREE COLA BASE INCREASE FROM \$13,000.00 to \$18,000.00 PENDING APPROVAL FROM THE TOWN COUNCIL. IN FAVOR – 3

OPPOSED – 0

Mr. Loughran ABSTAINED – 1

Board Stipend Increase:

A MOTION WAS MADE AND SECONDED TO SEND A LETTER TO THE TOWN COUNCIL REQUESTING THE STATUS OF THE BOARD'S FEBRUARY 21, 2021 LETTER REQUESTING AN INCREASE TO THE ANNUAL STIPEND OF MEMBERS OF THE BOARD FROM \$4,000.00 TO AN AMOUNT NOT TO EXCEED \$4,500.00, AS AUTHORIZED BY GENERAL LAWS CHAPTER 32, s20(6). SO VOTED

New Business:

There was no new business discussed.

Legal Update:

Attorney Gibson updated the Board on the subpoena issued to Director Sheehan in the case of Detective Kathleen Donahue v. the Town of Watertown. Director Sheehan was allowed to submit her response via affidavit, which was completed and submitted. All indications are that this satisfies their request.

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

Investment Review:

The following managers underwent an annual investment manager review pursuant to 840 CMR 16.07. The managers presented performance and investment reports to the Board in advance, detailing the manager's activities which the Board reviewed. All but the presentation by PRIT Senior Client Services Officer Francesco Daniele were conducted remotely. Mr. Daniele was in attendance for his presentation.

- PRIT – Domestic Equity, Hedge Funds, Real Estate, and Vintage Year Equity Portfolios.
- Income Research & Management – Core Bond Fund
- Eaton Vance Investment Managers – High Yield Fund
- PineBridge Investments – Global Dynamic Asset Allocation
- Wellington Management – SC 2000 Portfolio & Opportunistic Investment Allocation.
- Columbia Threadneedle Investments – US Contrarian Core Equity Fund
- TA Realty – Core Property Fund

At the conclusion of the investment manager reviews, Mr. Rowlin reviewed with the Board the Q3/2021 investment performance. The market value of investments at the end of Q3/2021 totals \$ 275,677,552. The Board seemed satisfied with the report.

Mr. Rowlin reviewed a history of the PRIT Private Equity Year Vintage Year Investments. His recommendation is to commit \$5,000,000. to the 2022 PRIT Vintage Year.

A MOTION WAS MADE AND SECONDED TO COMMIT \$5,000,000 TO THE PRIT PRIVATE EQUITY VINTAGE YEAR 2022. SO VOTED

The Cash Flow needs were reviewed and discussed. It was recommended to use the sale of the proceeds from the Earnest Partners liquidation for \$24 million for the initial purchase of Aristotle International Equity. Mr. Rowlin also presented the Board with recommendations on how to raise cash to cover three months' worth of payroll, expenses and monthly PRIT VY Capital calls.

A MOTION WAS MADE AND SECONDED TO APPROVE THE CASH FLOW RECOMMENDATIONS AS PRESENTED. SO VOTED

A MOTION WAS MADE AND SECONDED TO ADJOURN THE MEETING AT 10:30 AM. SO VOTED