

**Worcester Regional Retirement Board Meeting  
July 25, 2023**

The meeting was called to order at 8:05 a.m. Present at the meeting were Chairman Kevin Blanchette, Board Members Gene Durgin, Michael Donoghue (via Zoom), Pauline Lajoie, and Rebecca Tuttle. Also present were Rachel Grimaldi, Executive Director, Colleen Canty, Board Administrator, and Carol Rocco, Board Secretary. All votes were taken by roll call.

**APPROVAL - MEETING MINUTES:**     **June 27, 2023 Open Session**  
    **June 27, 2023 Executive Session**  
    **June 27, 2023 Advisory Council**

**MOTION:** *made by Mr. Durgin and seconded by Mr. Donoghue. All in favor.*

Chairman Blanchette welcomed Katherine Hesse of the law firm Murphy, Hesse, Toomey & Lehane, WRRS' contracted law firm, to the meeting and introduced her to all other attendees. Ms. Hesse gave an update on the state of the system's legal cases. She mentioned that Kevin Freytag is filing on the Purcell/Cialdea matter by 7/31/23. WRRS has a lot of cases, and the firm is in regular contact with DALA.

Ms. Hesse posed a question to the Board regarding moving forward on a veteran's service buyback case. Chairman Blanchette explained that this case is in reference to the required 180-day notification from a veteran of his/her wishes to reserve the right to buyback service with the armed forces. The Board and Ms. Hesse had a discussion regarding this law. All agreed that it is confusing and should be changed to make things easier on veterans. If the law changes to use vesting as a date for submission of this form it will be difficult for systems to manage. Chairman Blanchette stated that a bill to change this law is in process and he will check on the progress. Chairman Blanchette stated, and all agreed, that the Board would like to preserve their rights and file the appeal.

Ms. Hesse explained the process of settling with insurers on workers' compensation cases. She stated that most Boards are requiring a payout of 20% of the settlement. Boston and the State require 15%. Ms. Hesse was seeking an approval to settle for 20% on a recent case. Ms. Grimaldi stated that 20% is acceptable and Chairman Blanchette agreed.

**MOTION:** *made by Mr. Donoghue and seconded by Ms. Tuttle to accept a 20% portion of workers' compensation settlements as standard practice. All in favor.*

Ms. Hesse stated that by the end of September her firm should be caught up on WRRS' backlog of business and cases.

Mr. Durgin asked where the Board stands in regard to the agreement with Michael Sacco. Chairman Blanchette stated that it has been signed and received. Mr. Durgin asked if the system/Board is free from future litigation in this matter. Chairman Blanchette stated that Mr. Sacco has filed a waiver of his pension until 1/1/24 when he intends to start it back up. Mr. Sacco is not eligible for insurance and plans to sue the GIC regarding this policy.

Chairman Blanchette moved to the next item, 91 Review. The Board reviewed a draft public records request regarding Mr. Sacco's hours and earnings. Mr. Donoghue felt it was well crafted and something the Board must do as part of its duty. He has been advocating this for the past few months and feels the time is right. He indicated that Mr. Sacco consistently lied to the Board and cannot be trusted to self report. Mr. Durgin agreed and stated that this must be done as part of our fiduciary duty.

**MOTION:** *made by Mr. Donoghue and seconded by Ms. Lajoie to request public records regarding the salary earned and hours worked by Mr. Sacco from all retirement boards. All in favor.*

Chairman Blanchette stated that the letters will go out today.

#### **MONTHLY WARRANTS:**

**Accounts Payable:**                      **Warrant #41**                      **\$17,495.37**

**MOTION:** *made by Mr. Durgin and seconded by Ms. Tuttle. All in favor.*

Chairman Blanchette explained that the increase in staff salaries is due to the payment made for vacation time to Mr. Sacco.

**Staff Salaries:**                      **Warrant #44**                      **\$71,107.58**

**MOTION:** *made by Ms. Lajoie and seconded by Mr. Donoghue. All in favor.*

**Board Compensation:**              **Warrant #45**                      **\$2,500.00**

**MOTION:** *made by Ms. Tuttle and seconded by Mr. Durgin. All in favor.*

Chairman Blanchette explained that the higher than normal number this month is due to the payment of the retroactive 2% COLA increase.

**Pension Vouchers:**                      **\$10,191,330.36**

**MOTION:** *made by Ms. Lajoie and seconded by Mr. Donoghue. All in favor.*

Prior to and during the meeting, the following items were available for the Board's review: monthly financial statements, current investment statements, invoices, member and retiree files related to items on the agenda.

The Board reviewed the Cash Balance and Operating Expenses.

**Refunds & Transfers**                      **Warrant #46**                      **\$797,425.99**

**MOTION:** *made by Ms. Lajoie and seconded by Mr. Durgin. All in favor.*

#### **NEW MEMBER APPLICATIONS: (52)**

**MOTION:** *made by Ms. Tuttle and seconded by Ms. Lajoie. All in favor.*

#### **RETIREMENT APPROVALS: (21)**

**MOTION:** *made by Mr. Durgin and seconded by Ms. Tuttle. All in favor.*

Chairman Blanchette stated that Ms. Grimaldi, Ms. Canty and Ms. McNamara identified some issues with the employee handbook. Ms. Grimaldi stated that certain areas were confusing for the staff so they wanted to make the policies more clear. Ms. Grimaldi reviewed the new overtime policy, meals/rest periods policy, sick time/bank policy and vacation policy. Chairman Blanchette explained the old sick bank policy to the Board and

that the new policy mirrors the previous policy. Ms. Grimaldi explained that the previous language in these sections was wordy so changes were necessary.

**MOTION:** *made by Mr. Donoghue and seconded by Ms. Tuttle to adopt the proposed changes to the Employee Handbook. All in favor.*

The Board reviewed the Fifth Board Member posting. Ms. Tuttle asked if this is Mr. Durgin's position and was answered in the affirmative. Chairman Blanchette stated that the posting needs to be amended to show that the term is 5 years rather than 3 years.

**MOTION:** *made by Ms. Lajoie and seconded by Ms. Tuttle to post the Fifth Member Position with amendment showing the position is a 5 year appointment. All in favor.*

### **Executive Director's Report:**

The Executive Director provided her monthly report as follows:

**Legal Update:** Katherine Hesse from Murphy, Toomey, Hesse & Lehané attended the meeting and briefed the Board on upcoming cases. The Executive Director extended her thanks to the Board staff for their efforts in providing the firm with their requests for files and noted that most were scanned to them in one day.

**PRIM/PRIT update:** The Executive Director informed the Board that our funds increased by approximately 2.4% this month.

On 8/1/2023, the Board Administrator will attend the next Investment Committee meeting and brief the Executive Director.

**Actuarial/Audit Update:** The Executive Director informed the Board that Clifton, Larsen and Allen are in the field work stage of the audit.

The Executive Director provided an update on the status of appropriations received. Currently, with the discount applied, the Board has received approximately \$89,000,000.00 and is still owed approximately \$326,530.00. Currently, nine towns have sent the Board half the amount of their total appropriation payment and nine have not made any payment to date. Board staff have, and will continue to, contact towns with outstanding payments. The Executive Director informed the Board that interest billing to these towns is forthcoming.

**Staff Activities:** The Executive director provided an update of several ongoing staff activities.

The Executive Director explained that she, the Board Administrator, the Assistant Board Administrator/Financial Analyst, and other Board staff worked with Pension Technology Group (PTG) regarding the implementation of the additional 2% COLA retroactive from July 1, 2022 – June 30, 2023 and the 3% COLA effective July 1, 2023 for qualifying retired members. She explained that the simplest solution was to issue a retroactive payment of the 2% in their July payment and two months of the 3% COLA in their August payment. Though the implementation process was challenging and it w the payroll ultimately ran successfully.

The Executive Director discussed the July 2023 mailing to retirees, which will consist of the COLA notice, the annual Pension Recipient Certificates and the Notice of Election. The mailing will contain a COLA notice, which explains how both COLA payments will be implemented. She explained that Board staff were unfortunately unable to provide individual COLA amounts for all qualifying members, due to the limitations of our software. However, the COLA notice provides the amount of the lump sum payment for retirees earning at least \$16,000.00 annually (\$320.04), and explains how retirees earning under \$16,000.00 annually can determine their lump sum amount. Board staff will send an Income Verification Notice to retirees upon request.

The Executive Director informed the Board that the July mailing will be sent out on July 28, 2023 and the COLA notification will be posted to our website that same day.

The Executive Director explained that the Pension Recipient Certificates were printed on white paper this year due to time constraints pertaining to the July mailing. The deadline to return these forms is September 30, 2023. Second notices to retirees will be provided on the usual blue sheets.

The Executive Director informed the Board that an announcement of Michael Donoghue's request for re-election will be included in the Mass Retiree's September issue of The Voice.

The Executive Director discussed the possibility of the Board appointing staff designees to sign the monthly benefit payroll warrant in extenuating circumstances. She consulted with PERAC and was informed that the Board may implement such a policy pursuant to S.23(2)(a), which allows a Treasurer to pay bills with vouchers signed by two designees. The Board approved moving forward with adopting this policy, which will be drafted by the Executive Director. The policy will designate the Chairman and the Executive Director as primary designees and the Board Administrator and Assistant Board Administrator/Financial Analyst as back-up designees.

The Executive Director discussed the Board staff's website initiatives in the month of July. The Executive Director, the Board Administrator and staff reviewed the entire website to reorganize and discard duplicate information. As a result, the website organization is much improved.

The Executive Director provided an update on the first Ready, Set Retire seminar, which will be held at the Elks Club in Auburn on September 14, 2023 from 6:30 p.m. -8: 30 p.m. The completed flyer and registration forms will be posted on the Board's website and sent to member units on July 26, 2023. An email address has been created for returned registration forms. One guest per member will be allowed.

The Executive Director discussed the next web training video, "How to Complete Your Retirement Application," and informed that Board that it was currently in process.

Paul Wallace of Bay State Pension Solutions joined the meeting via Zoom. Chairman Blanchette introduced him to everyone in attendance.

Mr. Wallace talked through the presentation that had been sent to the Board before the meeting. He asked for questions and/or comments at the end.

The Board asked many questions regarding system development and furnishing references. The Board was satisfied with his responses.

Mr. Wallace shared his screen and demonstrated various aspects of the system.

The Board asked questions regarding the length of time it will take for conversion and when the ideal time is for this to happen. They were satisfied with Mr. Wallace's answers.

Ms. Grimaldi stated that she is in favor of the change, and she likes the smaller size of BSPS along with their ability to customized the system to our needs.

The Board continued with a discussion about the downsides to making this change and the state of the current PTG contract. Chairman Blanchette explained that we are in year 2 of the contract and that Attorney Hesse will look at it to see how we can proceed. He also stated that he wants to start by having Ms. Hesse look at the PTG contract and the proposal from BSPS, wait for her input and vote on it in August.

At 9:43am Mr. Donoghue exited the meeting.

The Board continued their discussion on this matter speaking about security and employee accessibility. They also asked questions about the financial state of BSPS. Chairman Blanchette stated he feels that this is a win-win situation and that a couple more steps must happen before the Board votes. He requested a contract from Mr. Wallace. Mr. Durgin also requested a financial statement, audit, and list of references from Mr. Wallace. Mr. Wallace agreed to furnish these documents.

Chairman Blanchette stated that he was impressed and would like to see this move forward. He thanked Mr. Wallace for his time and stated that further discussion will be had at the August meeting.

A brief discussion was had about the retiree seminar in September to be attended by a representative from Social Security.

*At 9:56a.m. in accordance with Section 21(a)(1) of Chapter 30A of the General Laws, Chairman Blanchette requested a motion to enter Executive Session to discuss the reputation, character, physical condition or mental health of members seeking a disability retirement. The motion carried by a roll call vote with Ms. Lajoie, yes; Mr. Durgin, yes; Ms. Tuttle, yes; and Chairman, Blanchette, yes.*

The Board returned to open session at 9:59 a.m.

At 9:59 a.m. the Chairman asked if there was any other business before the Board, and hearing none, the Chairman called for a motion to adjourn.

**MOTION:** *made by Mr. Durgin and seconded by Ms. Tuttle to close the meeting and adjourn. Non-debatable motion. All in favor. The motion carried by a roll call vote with Ms. Lajoie, yes; Mr. Durgin, yes; Ms. Tuttle, yes; Chairman Blanchette, yes. Meeting adjourned at 10:00 a.m.*