

**Worcester Regional Retirement Board Meeting
August 29, 2023**

The meeting was called to order at 8:06 a.m. Present at the meeting were Chairman Kevin Blanchette, Board Members Gene Durgin, Michael Donoghue, 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.

MONTHLY WARRANTS:

Accounts Payable: Warrant #47 \$42,741.21

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

Staff Salaries: Warrant #50 \$74,933.76

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

Board Compensation: Warrant #51 \$2,500.00

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

3(8)(c):

MOTION: *made by Mr. Donoghue and seconded by Mr. Durgin. All in favor.* **\$42,272.07**

Pension Vouchers: \$9,581,275.24

MOTION: *made by Ms. Tuttle 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 #52 \$1,333,851.27

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

NEW MEMBER APPLICATIONS: (86)

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

RETIREMENT APPROVALS: (18)

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

Chairman Blanchette explained that under normal circumstances the retiree payroll is approved at the monthly Board meeting. Extenuating circumstances can occur which may require the need for additional time to prepare the payroll or to complete more than one retiree payroll in a month. In these circumstances, Board approval is needed to authorize certain designees to sign the warrant up to the day prior to the date of payment. Chairman Blanchette explained that this would only be used for extenuating circumstances and not on a regular basis. The designees will be Chairman Blanchette and Rachel Grimaldi with Colleen Canty and Anne McNamara designated to sign in the absence on Chairman Blanchette and Ms. Grimaldi.

MOTION: *made by Mr. Donoghue and seconded by Ms. Tuttle to approve the payroll warrant designees. All in favor.*

Chairman Blanchette informed the Board that Mr. Durgin is seeking re-appointment as the Fifth Member of the Board.

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

Chairman Blanchette informed the Board of the agreement and pricing for a new system was received from Bay State Pension Solutions ("BSPS"). Two other systems will be considered - ViTech (very high cost) and PTG, our current system. Ms. Grimaldi stated that BSPS is the best for our needs and has the best pricing. Ms. Canty stated that difficulties continue with PTG. Ms. Grimaldi stated that she has a non-disclosure agreement ready to sign. Once this is signed BSPS will send financials, a draft contract, audit reports and references.

MOTION: *made by Ms. Lajoie and seconded by Mr. Durgin to authorize Ms. Grimaldi to sign the non-disclosure agreement with Bay State Pension Technologies and review the documents to be submitted. All in favor.*

Attorney Katherine Hesse stated that the Board would have to terminate their contract with PTG 60 days prior to December 31, 2023 to avoid fees for 2024. Ms. Grimaldi stated that three months of testing would be necessary before complete conversion with BSPS. Ms. Canty stated that we should stay with PTG through January for ease of 1099 processing. It was decided to pay the 2024 fees for the PTG system to make the transition smoother, and due to the fact that BSPS is free for the first year plus, it will not cost the system any additional money.

Chairman Blanchette stated that a lengthy public records request was received from Michael Sacco to include emails and texts between Board members. A price for this request was quoted and Mr. Sacco appealed. He revised his request, and a second price quote was sent. Mr. Sacco appealed the new price quote asking that this information be given to him for free.

Chairman Blanchette stated that Mr. Sacco is requesting to waive his pension retroactively to his retirement date and this request has been passed along to PERAC for a decision. If their response is positive, a vote will be needed regarding this request at the next Board meeting. The Board will look at Mr. Sacco's law firm's earnings for possible over-earning. He stopped his pension in June 2023 and wants to pay back the first three months to the date of his retirement in March. At issue is his health insurance.

Executive Director's Report:

The Executive Director provided her monthly report as follows:

PRIM/PRIT update: The Executive Director informed the Board that as of 7/31/2023, the net value of the Board's investment in the PRIT fund increased to over a billion dollars. The Executive Director noted that the next Investment Committee meeting is on 11/14/2023, which she will attend.

Staff Activities: Executive director provided an update of ongoing staff activities including the work completed with PTG to ensure that all applicable retirees receive their COLA, retroactive to 7/1/2023, in their August payment. She also noted that staff are working diligently to process incoming pension verifications.

The Executive Director informed the Board that staff processed 37 retirements this month and can process approximately another 10 on a mid-September payroll warrant.

The Executive Director informed the Board that PERAC confirmed that the new membership regulation was approved and would be signed when John Parsons returns to the office on 8/28/2023. Once the signed copy is received, she will post it to our website and remove the old regulation.

The Executive Director explained that the WRR Board currently has 7 disability retirees who have not provided PERAC with their 2022 Annual Statement of Earned Income, due in April 2023. PERAC has sent two notifications to these retirees and the Board Secretary has made multiple attempts to contact them and will continue to work with these members. Given the length of time these retirees have been non-compliant (four months), the Executive Director requested the Board's permission to terminate these retirement allowances at the end of September, if PERAC does not receive the requested information prior to the September retiree payroll. The Board agreed with this decision.

The Executive Director updated the Board on the Ready Set Retire Seminar scheduled for 9/14/23. She explained that so far approximately 250 people will be in attendance. She is looking forward to presenting the seminar with Social Security and is currently working on the presentation.

The Executive Director explained to the Board that staff were advised by Murphy, Toomey, Hessee & Lehane that Mr. Sacco's previous interpretation of Massachusetts public service earnings limitations under M.G.L. C. 32, S.91(b) was incorrect. The difference retirees can earn should be calculated by determining the current salary for the position from which the member retired, not the member's salary at retirement, less their annual benefit payment. She went over a memo with the Board, where she proposed changing the language on the WRR Board's website and provided examples detailing the methods to calculate allowable post-retirement earnings.

The Executive Director proposed calculating the amount retirees, whose salaries were bargained collectively, may earn by deducting their annual retirement allowance from the current compensation for their step on the salary schedule at retirement, plus longevity payments that are non-discretionary which the retiree would receive if still active.

For members who do not bargain collectively, the Executive Director proposed calculating the amount members may earn by deducting their annual benefit payment from the current compensation for their retired position. Members, whose former positions are currently compensated under the amount of their last salary, may determine their post-retirement earnings by applying the Consumer Price Index to their salary at the time of retirement, less their annual pension payment. She discussed this proposal with the Board Chairman and the Board Administrator. Both concurred that this was a fair and effective procedure to determine post-retirement earnings.

In both circumstances, the Executive Director noted that retired members may add an additional \$15,000.00 to their earnings limitations after they are retired for a full calendar year (January – December).

The Board voted to approve the Executive Director's policy to calculate post-retirement Massachusetts public service earnings.

The Executive Director discussed the second notices for pension verifications. She informed the Board that these notices will be mailed out at the beginning of October. Members who do not respond in time for the monthly November payroll warrant will have their pension payments turned off at the end of November, unless extenuating circumstances are communicated.

The Executive Director informed the Board that she and the Board Chairman will be attending the PERAC Emerging Issues Forum at Holy Cross on 9/21/2023.

At 9:02a.m. in accordance with Section 21(a)(1) of Chapter 30A and Section 21(a)(3) 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 and to discuss strategy with respect to litigation. The motion carried by a roll call vote with Mr. Durgin, yes; Ms. Lajoie, yes; Mr. Durgin, yes; Ms. Tuttle, yes; and Chairman, Blanchette, yes.

The Board returned to open session at 10:58 a.m.

At 10:58 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 Mr. Donoghue to close the meeting and adjourn. Non-debatable motion. All in favor. The motion carried by a roll call vote with Mr. Donoghue, yes; Ms. Lajoie, yes; Mr. Durgin, yes; Ms. Tuttle, yes; Chairman Blanchette, yes. Meeting adjourned at 10:58 a.m.*