

**Worcester Regional Retirement Board Meeting
January 31, 2023**

The meeting was called to order at 8:12 a.m. Present at the meeting were Chairman Kevin Blanchette, Board Members Gene Durgin (via Zoom), Michael Donoghue, Pauline Lajoie, Rebecca Tuttle. Also present were Michael Sacco, Chief Executive Officer, Colleen Canty, and Carol Rocco. All votes were taken by roll call.

APPROVAL - MEETING MINUTES: December 20, 2022.

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

MONTHLY WARRANTS:

Accounts Payable: Warrant #1 \$60,714.35

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

Staff Salaries: Warrant #4 \$56,725.37

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

Board Compensation: Warrant #5 \$2,500.00

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

Pension Vouchers: \$8,977,304.84

MOTION: *made by Ms. Lajoie and seconded by Mr. Durgin. 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 #6 \$240,144.15

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

NEW MEMBER APPLICATIONS: (132)

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

RETIREMENT APPROVALS: (16)

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

CHIEF EXECUTIVE OFFICER'S REPORT:

The CEO presented his monthly report to the Board regarding legal, audit/actuarial, PRIM/PRIT and Staff Activities.

Legal Update

The Board received a positive DALA decision in the Laura Pease matter – Ms. Pease was the former animal control officer in the Town of Rutland who was seeking an accidental disability retirement. DALA agree with the Board’s determination that Ms. Pease had not established causation, thus affirming the Board’s denial. Ms. Pease did not file objections with CRAB, and thus this litigation has ended.

Jonathan Winslow matter – Mr. Winslow is a current Westborough firefighter and a former Northbridge firefighter who is looking to purchase and receive credit for his past call firefighter service rendered in Northbridge. Northbridge denied liability in 2019, but a recent DALA decision suggested that Northbridge would be liable for this purchase, so we submitted a request for reconsideration to Northbridge but they declined to reconsider. We informed Mr. Winslow of Northbridge’s decision and provided him with his appeal rights, and Mr. Winslow appealed. We filed a motion to add Northbridge as an indispensable party, and we are waiting to hear back from DALA on the motion.

Kevin Kaddy matter – the CEO briefly reviewed the matter as a reference to the litigation’s status – Mr. Kaddy was an Ashburnham Police Officer who suffered a minor slip in the parking lot while walking to his cruiser, subsequently claimed an injury and he was denied 111F benefits. An investigation ensued, he abruptly resigned and subsequently filed for an accidental disability retirement. The medical panel was 2-1 favorable (minority “no” on causation) – and the Board denied, finding causation had not been established. We just filed the joint pre-hearing memorandum and exhibits, so this matter is now ready for a hearing.

Brian Sanders matter – the CEO noted he was working on the memorandum in support of the objections that were filed with CRAB regarding the DALA decision to award Mr. Sanders an accidental disability retirement, which is due at the end of February. The CEO noted that as soon as he is done with the Sanders memorandum, he will need to get started on the Kane memorandum for that CRAB appeal, which is due mid-March.

PRIM / PRIT Update

The Board was provided with both the November and December 2022 returns as the December Board meeting occurred earlier than usual –the fund lost \$23M or about 2.37% between November and December, and the Chairman noted that PRIT had reported a 10% loss for calendar year 2022. The CEO noted that with all the volatility both here and abroad, divided government and uncertain economic conditions, the investment professionals are not expecting things to turn around anytime soon.

Actuarial / Audit Update

The CEO informed the Board that PERAC is finally scheduled to start the audit here on February 7th – the CEO also noted that he has the RFP for outside audit services almost ready to go, but in drafting it he reached out to Matt Hunt at CLA who informed him that what CLA already does for us on an annual basis should be sufficient to satisfy PERAC’s requirements, which would obviate our need to go through this process and incur some additional expense. The CEO noted that he has called PERAC Chief Auditor Caryn Shea at PERAC to confirm, and he has not received confirmation yet. The CEO said he will stay on top of this and have an answer for the Board at the February meeting.

Staff Activities

The CEO noted that the staff’s focus has been on year-end activities, and we have closed on the retirees, and we are close on the actives – we have a handful of December payrolls outstanding but we should have that wrapped up shortly. As the CEO noted, we have PERAC scheduled to come in on February 7th for our audit and staff has been putting together materials as requested. The CEO noted he met earlier in the month with

Ed and Jared Wong from Tech Pro Services on the WISOP implementation, both for internal and external, and part of the program is to have a computer dedicated to disaster recovery, and to house that computer at an offsite facility. The CEO spoke with Jane Cullen at Webster 5 and they have agreed to host our offsite computer for disaster recovery and the performance of critical functions, such as payroll. Earlier in the month the CEO sent notice to our member unit Treasurers that we are starting a pilot electronic payroll submission program with five of our member units – the Narragansett and Wachusett Regional School Districts, and the Towns of Holden, Sutton and Westborough – that will commence with training those Treasurers and payroll staff as to how to securely upload the monthly payrolls and how to convert and/or edit files as needed. The CEO noted the annual military service fund memo, in which we seek information from our member units as to WRRS members who were called to active duty in 2022 so that we can determine the amount that should have been contributed to the military service fund and assessed back to the member unit. The Treasurer/Collector meeting was earlier this month – the Chairman opened the meeting and John Parsons from PERAC and I spoke, and then Linda was the star of the show discussing the Assessments as well as providing an overview of the COLA cost. The CEO thought it went well and Board Member Tuttle concurred, commenting on how well Linda communicates complicated material in an understandable way. The CEO said that leading up to the meeting a lot went into making sure it went off without a hitch, and while there was some concern that the COLA discussion would generate more interest and cause a problem given the limitations of the room size, that did not occur. The CEO noted after the meeting we posted Linda's presentation to the website, emailed it to all the Treasurers so they all had it and he also emailed it to his Chief Executive working group, once again noting to them that as their BOS contemplated the COLA, he would be available to discuss or meet in person with them. To that end, the CEO noted he has been asked to speak to the Millbury Board of Selectmen on February 28th.

The CEO referenced an email he sent to the Board regarding his working with Oxford Town Manager Jen Callahan who is seeking legislation to address the perceived inequity in the retirement law that does not allow members to purchase past non-membership elected service. The CEO noted that while there have been some special legislation enacted to assist specific individuals, Ms. Callahan to her credit was seeking to have the statute amended so that all could benefit, and she asked the CEO to draft some language which he did, and it was that was put in both Senate and House bills that were filed this legislative session.

The CEO noted that a vacation buyback issue arose involving the Town of Dudley and its retiring Police Chief who has had a vacation buyback provision in his contract for years, and upon being told it would not be considered regular compensation, he had some email correspondence with the CEO, who explained to the Chief that the WRRB has never considered vacation buyback payments to be regular compensation, and the SJC ruled back in May 2022 that PERAC's opinion to the contrary was erroneous as a matter of law on the subject matter. The Chief came to the office to meet with staff on his pending retirement, and the CEO overheard the conversation and invited the Chief to his office so they could talk, and the Chief understood why it could not be included. Subsequently, we learned that in fact no deductions were being withheld from his vacation buyback pay, so it became a moot point.

The CEO mentioned that we did a mailing to retirees and Board of Selectmen on the 2% COLA, and he emailed the BOS memo to the Chief Executives to make sure they were aware of the mailing. The CEO noted thus far that we have received some notifications regarding Board of Selectmen votes. The CEO stated it was his intent to not reveal the tally of Board of Selectmen votes while the voting period was ongoing so as not to unduly influence other municipalities who have not considered the COLA. The Board agreed that that was the most appropriate approach.

The CEO noted that he spoke with Auburn Town Manager Julie Jacobson who is retiring this month to wish her well, and she was appreciative of that, noting that she always had positive and helpful interactions with staff, so the CEO thanked her for that and shared her kind words with the staff.

As the Board is aware, the statute requires that we notify our Group 4 police officers and firefighters as they approach maximum age to inform them they must retire on the last day of the month in which they turn 65, and one of those members, Leicester Police Chief Kenneth Antanavica was notified that he needed to retire at the end of April and Chief Antanavica informed the CEO that a home rule petition had been filed to allow him to continue working until age 67. The CEO informed Chief Antanavica that we need to continue to process his retirement, and if the Legislature acts on or before April 30, 2022, then he may continue, but if they do not act prior to that date, he will be retired. Chief Antanavica also inquired about working after retirement, and the CEO advised him to seek an advisory opinion from the State Ethics Commission, and to make sure he sent the request from his personal email or phone.

Finally, the CEO mentioned that he reviews domestic relations orders that come into the office for compliance purposes, and a member who transferred into the WRRS after 30 years in Wellesley was going through a divorce and he needed to have this DRO issue resolved by January 31st. The issue is that Wellesley, despite 2 requests, has yet to transfer the member's funds, so we could not present information to his DRO drafter which accurately reflected all his service until the transfer was completed. The CEO noted that he spoke to the member and then he spoke with the member's counsel and he got the matter resolved.

CEO Annual Performance Evaluation

Chairman Blanchette opened the discussion regarding the CEO's 2022 performance noting that this was the 3rd such review but at least the 5th time the Board discussed the CEO's commitment to his job. He indicated that when the Board hired Mr. Sacco, he indicated that he was winding down his private law practice, but that has not happened. Chairman Blanchette said it was insulting that it is so difficult to schedule a monthly meeting to prepare the agenda and questioned why Board staff needed to check with Mr. Sacco's law office to check his schedule. Mr. Sacco said he never said he was going to wind down his practice, and if that is an issue it is a "deal breaker." Mr. Donoghue disagreed and said that Mr. Sacco most definitely told the Board that he would wind down his law practice and the Board hired him because of that. Mr. Durgin agreed and expressed his concern about "divided loyalties." How could Mr. Sacco represent his private clients during working hours when he is on the Retirement system payroll, he asked. Mr. Sacco indicated that he has no intention of giving up his law practice. He told the Board that he doesn't need this job; he makes 4 or 5 times as much in his private practice. Ms. Lajoie indicated that Mr. Sacco was the only reason she ran for re-election to the Board. Chairman said he feels that Mr. Sacco is disengaged with the Retirement System and is merely "mailing it in." He directly asked Mr. Sacco about his attendance and inquired about the hours Mr. Sacco puts in in the office. Mr. Sacco told the Board that he is in the office every day from 9 AM until 4 PM. A general discussion ensued which addressed the topics of time management and commitment to WRRS operations. After a spirited discussion, Mr. Sacco asked that the Board allow him to resign rather than firing him. At this point Chairman Blanchette suggested the Board adjourn and continue the discussion at a special meeting to be held within 2 weeks.

At 9:50 a.m. the Board adjourned.

ADJOURN MOTION: *Motion was made by Mr. Donoghue and seconded by Ms. Lajoie at 9:50 a.m. to close the meeting and adjourn. Non-debatable motion. All in favor. The motion carried by a roll call vote with Mr. Donoghue, yes; Mr. Durgin, yes; Ms. Lajoie, yes; Ms. Tuttle, yes; and Chairman Blanchette, yes.*