

**Worcester Regional Retirement Board Meeting  
November 28, 2023**

The meeting was called to order at 8:18 a.m. Present at the meeting were Chairman Kevin Blanchette, Board Members Gene Durgin, Michael Donoghue, Pauline Lajoie, and Rebecca Tuttle. Also present were Board attorney, Linda Champion, attorney for the Board, Rachel Grimaldi, Executive Director, Colleen Canty, Board Administrator, and Carol Rocco, Board Secretary. All votes were taken by roll call.

**APPROVAL - MEETING MINUTES:      October 24, 2023 Open Session  
October 24, 2023 Executive Session**

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

**MONTHLY WARRANTS:**

**Accounts Payable:                      Warrant #68                                      \$68,902.21**

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

**Staff Salaries:                              Warrant #71                                      \$74,973.10**

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

**Board Compensation:                  Warrant #72                                      \$2,500.00**

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

**3(8)(c):                                      Warrant #67                                      \$131,175.17**

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

**Pension Vouchers:                                                              \$9,646,312.95**

**MOTION:** *made by Mr. Donoghue and seconded by Ms. Tuttle. 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 #73                                      \$1,291,096.49**

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

**NEW MEMBER APPLICATIONS: (207)**

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

**RETIREMENT APPROVALS: (14)**

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

Chairman Blanchette opened a discussion on the matter of Michael Sacco. Specifically, some of the results of the recent records request were discussed, and recent election issues. Attorney Champion elaborated on the election issues regarding a software error.

*At 8:44a.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. Donoghue, yes; Ms. Lajoie, yes; Mr. Durgin, yes; Ms. Tuttle, yes; and Chairman, Blanchette, yes.*

The Board returned to open session at 9:37 a.m.

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

The Executive Director provided her monthly report as follows:

Legal Update: The Executive Director briefed the Board on the following cases:

- Jerry Jette, of the Westboro Fire Department, was a call firefighter in the town of North Brookfield who did not obtain a permanent position in the town's fire department. Mr. Jette purchased this service under the provisions of M.G.L. c32 §4(2)(b) in 2000, which was determined to have been incorrectly granted. The member was notified and he appealed the decision to the Division of Administrative Law Appeals (DALA). However, Mr. Jette did not reply to DALA's order to show cause and explain why his appeal should not be dismissed pursuant to M.G.L. c32 §4(2)(b) within the allotted 30-day period. DALA dismissed his appeal on 8/14/2023.

Mr. Jette's counsel filed a response to the dismissal on 9/20/2023 arguing that case law allows exceptions to the statutory deadlines. On 11/8/2023, the Contributory Retirement Appeals Board (CRAB) determined that they could not take up Mr. Jette's appeal as a matter of law. He has 30 days from the date of this decision to appeal to Superior Court.

- DALA did not uphold the Board's decision in David Lichwell v. Worcester Regional Retirement System (WRRS). DALA found that Mr. Lichwell purchased call firefighter time beyond the 5 years allowed pursuant to M.G.L. c32 §4(2)(b) under the Board's 1984 regulation. DALA determined that since Mr. Lichwell was allowed to purchase this service under this regulation, the WRRS decision is vacated. The WRRS will not appeal this decision.

The circumstances of Mr. Lichwell's case are identical to pending CRAB cases Briggs v. WRSS and Welsh v. WRRS. Both cases were appealed to CRAB and are pending a decision.

- CRAB denied the Board's request for additional time to appeal DALA's decision on Matthew Rodwill v. Worcester Regional Retirement System, CR-21-0595. Mr. Rodwill was granted the opportunity to purchase 4 years of military service beyond the 180 days after the Board notified him of his right to purchase this service.

PRIM/PRIT update: The Executive Director reported that the Board's net asset value remains over \$1 billion dollars as of 10/31/2023. However, the Board's net change in investment was down approximately -1.7070%, totaling -\$17,486.83.

The Executive Director informed the Board of S&P Global's October report indicating that the S&P 500 was down by -2.20% and the DOW fell by -1.36%. Contributing factors include the increasing demand for housing and the low supply in the housing market, increased mortgage rates, an increase in consumer spending concerns, the threat of a looming government shutdown on 11/17/2023 and the time it took the House of Representatives to elect a new Speaker of the House after Representative Kevin McCarthy was voted out.

The Executive Director informed the Board that she attended the PRIT Investment Committee Meeting on 11/14/2023 and discussed the following points from the presentation:

- The PRIT fund ended FY 2023 with a balance of \$96.6 billion, up from the previous record of \$95.7 billion in FY 2021.
- The main concerns affecting worldwide markets are inflation, economic growth and geopolitical tensions. An additional concern pertaining to the U.S. Markets is an increase in political tension.
- The primary risks to the market are that inflation accelerates, consumer and business spending falters, and corporate earnings weaken more than anticipated causing economic growth to stall or decline.
- PRIM continually monitors inflation and recession conditions. Managers have reported several positives including a calmer labor market, a decline in core inflation and healthy consumer spending.

Actuarial/Audit Update: The Executive Director informed the Board that Clifton, Larson & Allen completed their 2022 audit. The report looks good and no unusual findings were found. The Executive Director reported that KMS completed the GASB 67/68 report as of 12/31/2022. All reports are posted on the Board's website and sent to unit Treasurers.

Staff Activities: The Executive Director reported the following staff activities:

- The contract with Bay State Pension Solutions was signed on 11/20/2023. The Board has the option to extend the contract through 7 years, with an annual increase based on the Consumer Price Index not to exceed 5% per year.
- Unfortunately, the Board staff had to suspend 53 retiree benefits at the end of November, as they did not complete their Pension Verification Forms and/or did not respond to PERAC's request for information pursuant to G.L. 32, S. 91(a). The Executive Director acknowledged and thanked Board staff for their efforts to contact these retirees to minimize disruption of their benefits.
- The Executive Director informed the Board that she will be presenting another Ready, Set, Retire seminar for members on 11/30/2023 at the Elks Club in Auburn from 6:00 p.m. – 7 p.m. Currently, approximately 120 members and their guests are registered to attend.
- The Executive Director provided Board staff with an overview of the anti-spiking provisions, pursuant to Sections 14 and 18 of Ch. 176 of the Acts of 2011.

- The Executive Director provided in-depth training of the anti-spiking provisions to staff currently processing retirement calculations. She created three spreadsheets that calculate the salary for each year, apply bonafide position changes and calculate refunds for members who violate the anti-spiking provisions. The remaining staff will be trained subsequently.

Attorney Champion informed the Board of a new law allowing for 100% remote notarization. This will allow documents to be notarized online and digitally without the need for physical stamps and signatures. There are specific requirements for valid online notarization. This new law may help with some of the issues associated with the Pension Recipient Certificates.

The upcoming NCPERS conference in Washington DC was discussed. The Board talked about allowing Board members and staff to attend.

*MOTION: made by Mr. Donoghue and seconded by Pauline Lajoie to allow Board members and members of the office staff to attend the NCPERS conference in Washington D.C. All in favor.*

Chairman Blanchette announced that at the December meeting the Board will re-visit Executive Director Grimaldi's contract. Chairman Blanchette will write a memo to the Board.

At 9:55 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 Ms. Tuttle and seconded by Mr. Durgin 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 9:55 a.m.*