

**Worcester Regional Retirement Board Meeting
November 29, 2022**

The meeting was called to order at 8:03 a.m. Present at the meeting were Chairman Kevin Blanchette, Board Members Gene Durgin, Rebecca Tuttle, Michael Donoghue, and Pauline Lajoie. Also present were Michael Sacco, Chief Executive Officer, Colleen Canty, and Carol Rocco.

APPROVAL - MEETING MINUTES: October 18, 2022

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

APPROVAL - MEETING MINUTES: November 9, 2022

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

MONTHLY WARRANTS:

Accounts Payable: Warrant #65 \$72,526.39

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

Staff Salaries: Warrant #68 \$55,661.78

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

Board Compensation: Warrant #69 \$2,500.00

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

Pension Vouchers: \$8,928,005.39

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, invoices, member and retiree files related to items on the agenda.

The Board reviewed the Cash Balances and the PRIT Fund balance.

Cash Balance: \$ 1,689,653.42

PRIT Fund balance: \$957,967,138.12

Refunds and Transfers: Warrant #70 \$1,152,615.56

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

NEW MEMBER APPLICATIONS: (231)

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

RETIREMENT APPROVALS: (16)

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

The CEO and Board reviewed and discussed the January 1, 2022 KMS Actuarial Valuation Report. After reviewing a motion was made to accept the valuation.

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

The CEO and Board reviewed and discussed the December 31, 2021 CLA Audit Report. After review a motion was made to accept the valuation.

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

The CEO and Board reviewed and discussed the December 31, 2021 GASB Report. After review a motion was made to accept the valuation.

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

The CEO and Board reviewed and discussed the October, 2022 WISOP. After review a motion was made to adopt the program as written.

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

The CEO and Board reviewed and discussed PERAC Memo #28 – Electronic Signatures. After review a motion was made to table the matter.

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

The CEO and Board reviewed and discussed PERAC Memo #29 – COLA Legislation. After review the Board decided to invite representatives from the towns to the December meeting to discuss and vote on the matter then.

Business session was paused at 8:48a.m. in accordance with Section 21(a)(1) and (4) of Chapter 30A of the General Laws, Chairman Blanchette suggested a short break, before entering Executive Session to discuss disability applications. Break ended at 8:52a.m. and Chairman Blanchette reconvened the open session asked to a motion to enter Executive Session. Motion made by Ms. Lajoie, seconded by Mr. Donoghue. 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.

At 10:04 a.m. in accordance with Section 21 of Chapter 30A of the General Laws, a motion was made to go back into open meeting and address the remaining agenda items in open session.

MOTION to exit executive session and return to open session: *made by Ms. Tuttle and seconded by Ms. Lajoie. All in favor. The motion carried by a unanimous roll call vote with Ms. Lajoie, yes, Ms. Tuttle, yes; Mr. Durgin, yes; and Chairman, Blanchette, yes.*

CHIEF EXECUTIVE OFFICER'S REPORT:

The CEO gave his monthly report to the Board. Regarding legal matters - the CEO informed the Board that he just received the DALA decision in the Brian Sanders matter, which reversed the Board's decision and awarded Mr. Sanders accidental disability benefits. The CEO gave the Board a brief overview of the case and the decision, and he noted that he filed a notice of objection with CRAB to preserve the Board's rights to pursue the matter. The DALA decision will be distributed to the Board for the December meeting, at which time it can decide to move forward or to withdraw the objections and accept the DALA decision. The CEO also informed the Board that former Athol firefighter Dana Sandoval has filed an appeal of his accidental disability denial with DALA. DALA has also issued a Pre-Hearing Order in the Joshua McGrillis appeal. Finally, the CEO noted that he included in the Board's packet the so-called "legal letter" which was submitted to Clifton Larsen Allen as part of the audit to keep the Board informed as to the status of the ongoing litigation matters, and those which have been resolved during the year.

Regarding the PRIM / PRIT Update – The CEO noted with the early meeting last month, the Board members have been provided with both the September and October 2022 reports. The CEO further noted that the fund saw an increase in value from \$944.4 million to \$957.9 million for the month of October, which put the fund

back to where it was in August 2022. The market thereafter dropped 6,000 points to hit a low on September 30th, but since then there has been a steady climb back, which is reflected in our \$13 million gain. That said, the Dow Jones Industrial Average lost 497.57 points yesterday, or 1.45%, to end at 33,849.46; the S&P 500 dropped 1.54% to end at 3,963.94; and the Nasdaq Composite ended down 1.58% to close at 11,049.50. The CEO mentioned that the possible rail strike and further complicating supply chain issues and the most recent China lockdown all likely contributed to the market pessimism.

Regarding the Actuarial / Audit Update – the Board has received and reviewed the final GASB 67 (Pension plans) and 68 (Host Municipality/Employer) reports are finalized, and the CEO informed the Board that a vote needed to be taken to accept. The Chairman asked if there was any questions or discussion – hearing none, the Chairman asked for a motion to accept:

The CEO also informed the Board that we have received CLA’s Audit Letter, which found there were no deficiencies that would be considered material weaknesses

The CEO also informed the Board that there is still no timetable for PERAC’s audit.

With respect to staff activities – the CEO informed the Board that he has been busy with outreach, conducting and scheduling several benefit seminars in November and December: November 2nd in Brookfield and Westboro; November 7th in Lunenburg, November 16th in Boylston and coming up in December, Barre on December 6th, Douglas Fin Comm on December 13th and then Sutton on December 21st. The plan is to restart in the Spring due to the difficulties in scheduling seminars during the winter months due to inclement weather. Retirements have slowed a bit as we approach year end, and the staff was heavily involved in the election process this month - ballot counting on the election will occur on December 1st, and the CEO noted there was a smaller response this year than in years past. The CEO described the normal process the staff follows with the ballots, i.e., open all valid submissions, discard outer envelope and put inner envelope in bin; open inner envelope with ballot and put ballot in a bin; take the ballots and put into bin for each candidate; then start counting in groups of 25, and verify each group.

The CEO also noted a staffing change - Alannah Matthews who we brought on as an intern and then hired has given her notice – our understanding is that she was offered a job in the company in which her father worked, which was more consistent with her intended career path. Alannah was a big help and the CEO thanked her for her work and wished her well.

The CEO reported that Colleen, Anne and he will be meeting to discuss and assess staffing needs, and we anticipate coming back to the Board with a plan moving forward, which will likely involve hiring at least someone to replace Alannah and perhaps a second staff person, along with some reorganization and assignment of duties.

The CEO noted that we have several disability retirements at various stages in the process, and his goal is to bring at least 2 a month for evidentiary hearings over the next several months to stay current.

At the Board’s request, the CEO reached out to Webster Five regarding the interest rate on savings account, and as a result they increased our interest rate to 1.25% for our savings account.

The CEO informed the Board that unfortunately, we still have not received 40 Pension Verification Forms, so we have stopped the direct deposits and printed checks. These checks will be held indefinitely until eligibility can be verified.

Finally, the CEO noted it was that time of year again for the Board to conduct his annual review. The CEO informed the Board that he would be preparing a “year in review” memorandum for the Board’s review and consideration at a future meeting.

The Chairman thanked the CEO for his presentation and he 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, seconded by Ms. Tuttle, non-debatable motion. All in favor. The motion carried by a roll call vote with Mr. Durgin, yes; Ms. Lajoie, yes; Ms. Tuttle, yes; Chairman Blanchette, yes. Meeting adjourned at 10:24a.m.*