

Worcester Regional Retirement Board Meeting
June 29, 2021

The meeting was called to order at 8:13 a.m. Chairman Blanchette opened the monthly Board of Trustee's Meeting by roll call: Rebecca Tuttle, yes; Gene Durgin, yes; Michael Donoghue, yes; Pauline Lajoie, yes; and the Chairman, yes. Due to COVID 19 regulations and social distancing considerations, the meeting took place at the Auburn Elks, 74 Southbridge Street, Auburn, MA 01501. Present at the meeting were Chairman Kevin Blanchette, Board Members Gene Durgin, Michael Donoghue, Pauline Lajoie and Rebecca Tuttle. Also, present were Michael Sacco, Chief Executive Officer, Colleen Canty, Rosemary Shaughnessy and Durriyyah Leonard.

Chairman, Kevin Blanchette administered the Oath of Office to new board member Rebecca Tuttle and thanked Joanne Savignac for her service. Rebecca Tuttle will serve a 3-year term starting June 29th, 2021.

The Board discussed moving back to 23 Midstate Drive for all future meetings.

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

APPROVAL - MEETING MINUTES: May 25, 2021.

MOTION: *made by Mr. Donoghue and seconded by Mr. Durgin. Ms. Tuttle abstained to vote on the minutes. All were in favor.*

MONTHLY WARRANTS:

Accounts Payable: Warrant #39 \$11,042.91

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

Staff Salaries: Warrant #42 \$57,764.48

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

Board Compensation: Warrant #43 \$2,500.00

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

Pension Vouchers: \$15,911,972.44

MOTION: *made by Mr. Donoghue 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 retirees and files related to items on the agenda.

The Board reviewed the Cash Balance and Operating Expenses.

Refunds & Transfers Warrant #36B \$30,392.16

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

Refunds & Transfers Warrant #44 \$161,305.78

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

Refunds & Transfers Warrant #44A \$602,168.23

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

Refunds & Transfers Warrant #44B \$16,390.28

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

NEW MEMBER APPLICATIONS: (36)

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

RETIREMENT APPROVALS: (22)

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

Chairman, Kevin Blanchette opened the meeting to guest speaker Anthony Tranghese of Fiducient Advisors and guest speaker Walter Dick of Ascent II & IV Venture Partners for the annual investment manager meeting. Mr. Dick discussed the Board's participation in Ascent Funds II & IV, their respective performance and their winding down. The meeting with Mr. Tranghese was part of the Board's due diligence to periodically review its investment strategy, relative performance, and the different investment strategies the Board should consider and the different options available.

CHIEF EXECUTIVE OFFICER'S REPORT:

Legal Update

The CEO gave his monthly report to the Board with respect to legal matters and informed the Board on the DALA decision made in the matter regarding Russell Kleber. Previously, DALA determined that Mr. Kleber, the former Police Chief in the Town of Athol who signed a Separation Agreement and who was placed on Administrative Leave with pay did not receive regular compensation while on Administrative Leave. Mr. Kleber decided to appeal the DALA decision to CRAB. He believes the paid leave should be considered regular compensation vs. severance pay. Kleber filed objections to the CRAB decision – Kleber did not file on time and CRAB issued an order, Kleber asked for more time, and he now has until July 21, 2021 to file his memorandum and exhibits.

The CEO gave his monthly report to the Board with respect to Vernava – PERAC has requested Direct Appellate Review with the Supreme Judicial Court – we did not oppose, no decision made as of yet.

PRIM / PRIT Update

The System is slightly over \$945 million as of May 31st. The Dow Jones was up slightly through today. No substantive change in the PRIT asset allocation or investment strategy. The CEO informed the Board that he remotely attended the PRIT client conference on June 9, 2021 – Chairman and co-founder of Moderna was the Keynote Speaker (Noubar Afeyan – also Founder and CEO of Flagship Pioneering).

Actuarial Update

Board Administrator Colleen Canty and CEO Michael Sacco had a conference call with Linda Bournival of KMS Actuaries – a meeting has been scheduled for her to come to the July 27th meeting - CEO explained to the Board that our actuarial assumed rate of return is currently 7.65% - utilizing the standards applied to actuaries, Linda can support a 7.5%AAR but anything greater than that will result in having to give a qualified letter to our member units, which could adversely impair their financial standing – Linda also noted that NEPC is projecting a return of 5.8% over the next 10 years, and 6.8% over the next 30 years, which is well below our current AAR.

Staff Activities

The CEO informed the Board on the working status on several topics. CEO appeared on a Legal Panel for the virtual MACRS conference on June 4th. The meeting was well attended. The office has scheduled Clifton Larson Allen to conduct the audit. The entire team is helping in that process. We are also continuing with the audit process with PERAC for calendar years 2012 – 2015 and hope to wrap that up soon. Regarding the Appropriation Payments, we received in 11 requests for electronic transfer information and a reminder email resulted in a flurry of additional requests. The CEO will be contacting the Chief Executives' Group Mid -July for a benefit presentation in the Fall. The CEO reviewed the Executive Session minutes from 2015 to the present and determined none can be released – all deal with medical records. The Lease is coming up - May 31, 2022, The CEO explained we would need to give 9 months' notice if we want to extend the terms, so a meeting with the Landlord is planned to discuss an extension contingent upon some office upgrades. At 9:57

a.m. in accordance with Section 21(a)(1) of Chapter 30A of the General Laws, a motion was made to go into Executive Session to discuss five (5) disability cases and to return to open session solely for the purpose of adjournment. Motion made by Mr. Donoghue and seconded by Mr. Durgin. The motion was carried by a roll call vote with, Ms. Tuttle, yes; Mr. Donoghue, yes; Mr. Durgin, yes; Ms. Lajoie, yes and Chairman, Blanchette, yes.

The Board reconvened in open session at 10:17 a.m.

MOTION TO ADJOURN: *made by Mr. Donoghue and seconded by Mr. Durgin at 10:35 a.m. to close the meeting and adjourn. Non-debatable motion. All in favor. The motion carried by a roll call vote.*