

**Worcester Regional Retirement Board Meeting
July 27, 2021**

The meeting was called to order at 8:12 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. The meeting took place at Worcester Regional 23 Midstate Drive, Suite 106, Auburn, MA 01501. Also, present were Michael Sacco, Chief Executive Officer, Colleen Canty, Rosemary Shaughnessy and Durriyyah Leonard.

APPROVAL - MEETING MINUTES: June 29, 2021.

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

MONTHLY WARRANTS:

Accounts Payable: Warrant #45 \$29,316.68

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

Staff Salaries: Warrant #48 \$68,448.51

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

Board Compensation: Warrant #49 \$2,500.00

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

3(8)c's: Warrant #51 \$2,053,519.37

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

Pension Vouchers: \$8,188,182.64

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 #50 \$257,505.54

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

Refunds & Transfers Warrant #50A \$505,400.92

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

Refunds & Transfers Warrant #50B \$8,368.16

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

NEW MEMBER APPLICATIONS: (36)

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

RETIREMENT APPROVALS: (37)

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

Chairman, Kevin Blanchette opened the meeting to guest speaker Linda Bournival of KMS Actuaries and Matt Hunt and Jim Piotrowski of Clifton Larson Allen. Ms. Bournival discussed with the Board the GASB 67 and 68 requirements as they pertain to the System's assumed actuarial rate of return and the impact on the member units. Mr. Hunt and Mr. Piotrowski provided our auditors perspective regarding these issues. At the conclusion of the presentation, the Board thanked our guests for their respective presentations and comments. On a motion by Michael Donoghue, seconded by Gene Durgin, all were in favor.

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. DALA concurred with the Board's position, denying Kleber's appeal, and he filed objections to the DALA decision to CRAB. Kleber was given an extension and filed his memorandum with CRAB, but not the exhibits – we will be drafting our response and filing with CRAB once Kleber's filing is complete.

The CEO next discussed the Vernava litigation – Direct Appellate Review with the Supreme Judicial Court was granted – The Attorney General is representing PERAC and requested an extension on the brief – we will then draft our response & scheduling oral argument in November.

PRIM / PRIT Update

The System is slightly under \$957 million as of June 30th. The Dow Jones was 34,502.51 on June 30th an all-time high, opened today at 35,144, another all-time high.

Staff Activities

The CEO informed the Board on the working status of several topics. Regarding the Annual Appropriation Payments, all assessment payments have been received in except Brookfield. Brookfield called to let our staff know and asked about interest, we told them we can't calculate the interest until they pay, and we have not yet received the payment. Southborough Housing Authority just came in yesterday so we will be calculating the interest payment and sending that bill to them.

The staff has been very busy with retirements and estimates – as presented in today's meeting there were 37 retirements this month, and we have another 34 in process.

On July 21, 2021 – Legislature had a public hearing on Senate Bill 1669 which is the COVID retirement bill which as currently drafted, would grant 3 years to age or creditable service or any combination to any employee who worked outside their home during the COVID-19 declared state of emergency March 10, 2020 to December 31, 2020 – no retirement date required, employee allowed to "bank" the 3 years.

The CEO informed the board of his next speaking engagement next month on August 17, 2021 he stated he would be speaking at the Central Mass Police Chief's Association and discussed his action plan to continue his outreach efforts. The CEO sent emails to the Chief Executives – he started an email working group a few months ago – he is working to finalize dates this week in early September at the Elks for an informational seminar and meet and greet. He also solicited responses for regional meetings – seeking to conduct employee benefit seminars in the four county quadrants – as of

now, Heather Lemieux in Lunenburg has offered to host, as did Kristi Williams in Westborough. The staff is still working on the Northwest and Southwest quadrants. The CEO also offered to come to any member unit that wanted him to speak to their employees – so far Berlin (Margaret Nartowicz) has requested a meeting, and that meeting will be scheduled soon.

The COLA notices are going out this month to retirees. The staff has done a great job of folding, stuffing, and sending out the notices. The CEO discussed the plans to hire a new employee and reported we currently have 186 resumes to review. NCPERS is resuming in-person conferences and have the Public Pension Funding Forum in NY August 22-24 – Gene had expressed interest – looking for a Board vote to authorize any Board member who wishes to attend? The NCPERS Fall Conference is September 26-28 – Scottsdale AZ and the NCPERS Chief Officers Summit is October 20-22 – San Francisco.

Finally, the CEO and Board reviewed, and the Board voted on reducing the actuarial rate of return to 7.5%.

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

At 10:00 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 conduct three (3) evidentiary hearings. Motion made by Mr. Donoghue and seconded by Mr. Durgin. The motion was carried by a roll call vote with, Mr. Donoghue, yes; Mr. Durgin, yes; Ms. Lajoie, yes, Ms. Tuttle, yes and Chairman, Blanchette, yes.

The Board reconvened in open session at 11:01 a.m.

MOTION TO ADJOURN: *made by Mr. Donoghue and seconded by Mr. Durgin at 11:01 a.m. to close the meeting and adjourn. Non-debatable motion. All in favor. The motion carried by a roll call vote.*