

**Swampscott Retirement Board  
Meeting Minutes  
November 28, 2023**

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A meeting of the Contributory Retirement Board was held in the First Floor Conference Room on Tuesday, November 28, 2023.

Present:

Chair Thomas Driscoll, Vice-Chair John Behen, Kevin Breen, Amy Sarro

Guest (in Person):

Mary Ellen Fletcher (Select Board liaison to Retirement Board)

Greg McNeillie - DAHAB Associates

James Snow

Remote:

Robert Powell

Barbara Walsh

The meeting was unanimously called to order by a motion made by Tom Driscoll and seconded by John Behen at 8:05 am.

**Approve Meeting Minutes**

The Board voted unanimously on a motion made by Amy Sarro and seconded by John Behen to approve the Meeting Minutes from October 24, 2023.

**Acceptance of New Member Enrollments**

The Board voted unanimously on a motion made by Amy Sarro and seconded by John Behen to approve the following new member:

- Michael Namey, SPS Custodian - DOH 11/06/2023

The Board voted unanimously on a motion made by Amy Sarro and seconded by John Behen to approve the following new member:

- Bryan Figueroa, SPS Tutor - DOH 11/06/2023

**Retirements**

The Board noted that there were no retirement requests in November.

**Deaths**

The Board noted that there were no member or retiree deaths in November.

**Administrative Reports Put on File:**

The Board noted the following administrative report put on file:

- PERAC Memo #22/2023: Appropriation Data Due October 31, 2023
- PERAC Memo #23/2023: Paid Family and Medical Leave ("PFML") & Supplemental Payments
- PERAC Memo #24/2023: Outsourced Chief Investment Officer (OCIO) Policy
- PERAC Memo #24a/2023: Outsourced Chief Investment Officer (OCIO) Policy
- PERAC Memo #25/2023: Cybersecurity Training

**Expenses/Financials:**

The Board voted unanimously on a motion made by Amy Sarro and seconded by John Behen to approve the following expense.

- Expense Warrant 11/2023                      \$58,999.97

The Board voted unanimously on a motion made by Amy Sarro and seconded by John Behen to approve the following payroll warrant.

- Payroll Warrant 11/30/2023                      \$660,648.06

The Board voted unanimously on a motion made by Amy Sarro and seconded by John Behen to approve the following transfer.

- M&T Transfer to MM Account                      \$525,000.00

The Board voted unanimously on a motion made by Amy Sarro and seconded by John Behen to approve the following transfer.

- PRIM Transfer to M&T                                      \$425,000.00

September financials were reviewed - cash receipts, disbursements adjustments, trial balance & bank reconciliations.

**Transfers/Refunds/Rollovers**

Before voting on transfers/refunds/rollovers, John Behen presented the Board with the most recent five years of historical statistics relating to transfers/refunds/rollovers. Since 2019, there have been a total of 134 transfers/refunds/rollovers resulting in a total of 2.595 million dollars removed from the annuity reserve account. These numbers could be helpful in explaining some of the factors that impact the funding schedule. Robert Powell noted that while these are asset losses, they are also liability losses. He suggested that Segal Consulting could provide information on how these losses offset each other. Tom Driscoll stated that he appreciated these figures as a viable tool to help explain changes in funding schedules.

The Board voted unanimously on a motion made by Amy Sarro and seconded by John Behen to approve the following transfer:

- Britte Roossien, Former SPS Tutor - Transfer to MTRS - 1 yr., 0 mos.

The Board voted unanimously on a motion made by John Behen and seconded by Amy Sarro to approve the following transfer:

- Justin Nestor, Former SPD Police Officer - Transfer to State - 2yrs., 7 mos.

The Board voted unanimously on a motion made by Amy Sarro and seconded by John Behen to approve the following transfer:

- Maureen Locke, Former SPS Building Substitute - Transfer to Essex Regional - 0 yrs., 3 mos.

The Board voted unanimously on a motion made by Amy Sarro and seconded by John Behen to approve the following refund:

- Stephen Arsenault, Former TWN Customer Service Representative- Refund - 1 yr., 0 mos.

The Board voted unanimously on a motion made by Amy Sarro and seconded by John Behen to approve the following refund:

- Abigail Lariviere, Former SPS Tutor – Partial Refund, Interest on Prior Refund

The Board voted unanimously on a motion made by Amy Sarro and seconded by John Behen to table the following refunds:

- Michael LeBlanc, SFD Firefighter - Interest Overpaid on Refund - Grimes Decision
- Edward Seligman, Former SFD Lieutenant - Interest Overpaid on Refund - Grimes Decision

The Board voted unanimously on a motion made by Amy Sarro and seconded by Kevin Breen to approve the following refund:

- Jenna DeIulis, Partial Refund on Makeup Payment

### **Buyback/Makeup Requests**

The Board voted unanimously on a motion made by Amy Sarro and seconded by Kevin Breen to approve the following:

- Jenna DeIulis - Adjustment of Service on Makeup - From 6yrs 3 mos. to 5yrs 8 mos.

### **Greg McNeillie – DAHAB Investment Consultant:**

#### Custodian Bank RFP

Greg McNeillie informed that Board that the RFP for a Custodial Bank resulted in three responses: Comerica Bank, US Bank, Wilmington Trust. All three firms are known entities by DAHAB and all three were ranked "highly advantageous" in the search process. Greg presented the Board with organizational structures from all three firms for comparison. Wilmington Trust is the current custodial bank, and the Board noted that their performance has been satisfactory.

The Board voted unanimously on a motion made by Tom Driscoll and seconded by Kevin Breen to take a vote on accepting Wilmington Trust as the Custodial Bank. Roll call was taken. Tom Driscoll "I", Kevin Breen "I", John Behen "I", Amy Sarro "I", Robert Powell "I". The Board voted unanimously to accept Wilmington Trust as the Custodial Bank.

The Administrator will post this information to PERAC and proceed with the acknowledgement process.

#### Quarterly Performance Review

Greg McNeillie presented the Board with a Q3 investment performance review. He noted that September is historically a negative month, which impacted the overall quarterly performance. Because the cashflow is neutral, there was a net positive outcome. Greg noted that LMCG and PRIT International Sleeve have been repeated underperformers. Tom Driscoll suggests a search for a replacement investment for LMCG. DAHAB will conduct the search. Greg informed that Board that PRIT will do a search regarding the PRIT International Sleeve.

### **New Business:**

#### Elected Member Election Results

Tom Driscoll noted that John Behen, Jr. ran unopposed and was re-elected as Vice-Chairperson to the Swampscott Contributory Retirement Board, in accordance with M.G.L. Chapter 32, for a three (3) year term which commenced on December 11, 2023, and will expire on December 10, 2026.

#### Actuary RFP

The Administrator informed The Board that the original RFP with Segal Consulting indicated a seven-year term, but only provided five years of pricing. The contract indicates that it will end after five years. Advice from PERAC was to begin an RFP process. However, The Administrator will also seek legal advice as to whether the contract can be extended an additional two years. The Board voted unanimously on a motion made by Amy Sarro and

seconded by John Behen to seek legal advice from Sacco Law Offices regarding extending the contract. The Administrator will inquire about fee structure for years six and seven if the contract is extended.

#### Audit Update

The Administrator presented to the Board the audit finding of an error in the retirement calculation for Barbara Walsh. Vacation and sick buybacks were erroneously included in the high three years of earning calculations. This resulted in an overpayment of her pension by over \$16,000.00 over the years and a recalculation of her pension which will result in a lower monthly payment. The Board had a lengthy discussion about the methodology of precedent, best practices, and fairness as related to forgiving any or all the overpayment. Barbara Walsh indicated that the "double whammy" of receiving a new lower monthly pension with repayment of the amount in error does not seem fair. John Behen would like to consider forgiving Barbara Walsh's overpayment and review previous similar Board decisions including the recent case of Kevin Thompson. John Behen believes these cases meet the Needham Bill. Kevin Breen, while sympathetic to the situation, noted that he is uncomfortable forgiving this overpayment, which may go against the precedent previously set by The Board. He would like a review of other similar situations. Although this is a very high dollar amount, he feels that each case should be treated the same. Tom Driscoll would like to consult with legal counsel to see if this case meets the Needham Bill. Amy Sarro suggests voting to table a decision on repayment to make sure The Board is being consistent and until we have legal counsel. The Board voted unanimously on a motion made by Amy Sarro and seconded by John Behen to vote on tabling the discussion. Roll call was taken. Tom Driscoll "I", Kevin Breen "I", John Behen "I", Amy Sarro "I", Robert Powell "I". The Board voted unanimously to table the discussion.

#### **Old Business:**

##### Investment Consultant RFP

The Board received proposals and heard presentations in October from three investment consultants: DAHAB, Wainwright, and Clearbrook. John Behen asked to go around the table so that each Board Member could provide ranking on the three firms. Kevin Breen stated that he scored DAHAB slightly over Wainwright. Amy Sarro ruled out Clearbrook and stated that her rankings weighed toward Wainwright. She cited their breadth of experience and the appreciation of their suggestion that the Custodial Bank provide the investment reports. Tom Driscoll asked if everyone agrees that Clearbrook is off the table. Everyone agreed. Robert Powell viewed this as a dead heat. Tom Driscoll was pleased that Wainwright made a proposal because they appear selective with their clients. He spoke to three Retirement Boards in MA, all of whom are clients of Wainwright and gave positive recommendations. Tom stated that Wainwright seems more aggressive in their investment approach. However, he noted that DAHAB was instrumental in getting the Board into the PRIT sleeves which was a positive move. John Behen noted that we ranked 14<sup>th</sup> in 2022 in performance, which is

very good. He appreciated the defensive approach provided by DAHAB. He also noted that the contract for the next seven years will bring us close to the end of the funding schedule, and there is no compelling reason to leave DAHAB at this time. The Board voted on a motion made by Amy Sarro and seconded by Tom Driscoll to vote on the next Investment Consultant. Roll call was taken. Amy Sarro "Wainwright", Kevin Breen "DAHAB", John Behen "DAHAB", Robert Powell "Wainwright", Tom Driscoll "Wainwright." The Board voted 3 to 2 in favor of Wainwright.

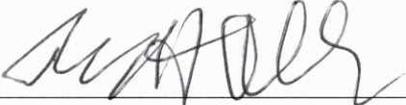
**Administrator Updates:**

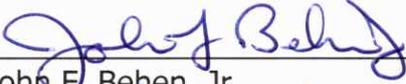
The Administrator informed the Board that the fourth Tuesday of December falls on December 26<sup>th</sup>, the day after the Christmas holiday. The Board decided to meet on the third Tuesday, December 19<sup>th</sup>, instead.

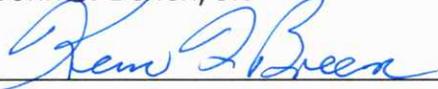
The Board voted unanimously on a motion made by Amy Sarro and seconded by Kevin Breen to adjourn the meeting at 11:06 am.

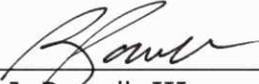
Respectfully submitted,

Tracy Spear  
Retirement Administrative Assistant

  
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Thomas H. Driscoll, Jr., Esq.      Chair, Appointed

  
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John F. Behen, Jr.      Vice-Chair, Elected Member

  
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Kevin F. Breen      Elected Member

  
\_\_\_\_\_  
Robert J. Powell, III      Appointed Member

  
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Amy L. Sarro      Ex-Officio