

The meeting of the Andover Contributory Retirement Board was called to order on Thursday, March 30, 2023, at 8:31 A.M. in the third-floor conference room A (Select Board Conference Room) located in the Town Offices. Members participating: Hayley Green Chair, (by phone) Tom Hartwell, Elena Kothman, Blackwell Taylor, and Eric Teichert. Also present: Office Coordinator Helen Armano, Recording Secretary Susan McKelliget, and Town Treasurer Michael Morse.

Ms. Green conducted the meeting remotely by phone. All votes taken by Roll Call.

Investments:

Dahab Associates:

Ms. Green reminded the Board it asked Dahab Associates for a recommendation as to which account to take money from for operating expenses. Mr. Condry, Dahab's Research Director, sent the Board an email in which he recommended drawing funds from the emerging markets and international funds, and added to the Core fund initially, and later moving these monies from Core to cash. With respect to the SVB/Signature Bank situation, the pension system's total exposure is likely less than 0.05%.

Ms. Green asked about the MMDT investment, specifically transfers from the POB, the 5% cash policy, and the pause between MMDT and PRIT. The policy of keeping 5% cash has changed the risk return profile and cash in MMDT is seen more as short-term bonds rather than cash. Volatility is offset in other parts of the allocation. Mr. Hartwell asked if the 5% is considered cash and whether the MMDT investment is collateralized. Mr. Morse responded MMDT is not collateralized, and is invested in highly liquid securities which are not considered cash.

Mr. Hartwell said he expected the ROI for the next 10 years or so would be greater than the discount rate of 5.75%, which he feels is a reasonable discount rate to use. Mr. Hartwell agreed to prepare a report on this matter for a future meeting.

Statements:

MMDT:

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve the MMDT Statement for 02/28/2023.

Roll Call: Ms. Kothman, Y; Mr. Teichert, Y; Mr. Hartwell, Y; Mr. Taylor, Y; Ms. Green, Y.

MassPRIM/PRIT:

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to accept the MassPRIM/PRIT Statement for 02/28/2023.

Roll Call: Ms. Kothman, Y; Mr. Teichert, Y; Mr. Hartwell, Y; Mr. Taylor, Y; Ms. Green, Y.

RhumbLine: It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve the following RhumbLine statements received: Mid Cap 400 & Small Cap 600 02/28/2023.

Roll Call: Ms. Kothman, Y; Mr. Teichert, Y; Mr. Hartwell, Y; Mr. Taylor, Y; Ms. Green, Y.

MassPRIM/PRIT:

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to confirm the wire transfer of \$1,400,000.00 for the February operating expenses.

Roll Call: Ms. Kothman, Y; Mr. Teichert, Y; Mr. Hartwell, Y; Mr. Taylor, Y; Ms. Green, Y.

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve the wire transfer of \$1,400,000.00 for March operating expenses withdrawn from Emerging Markets per Dahab Associates.

Roll Call: Ms. Kothman, Y; Mr. Teichert, Y; Mr. Hartwell, Y; Mr. Taylor, Y; Ms. Green, Y.

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve a wire transfer of up to \$1,400,000.00 for April operating expenses.

Roll Call: Ms. Kothman, Y; Mr. Teichert, Y; Mr. Hartwell, Y; Mr. Taylor, Y; Ms. Green, Y.

Ms. Green noted an Email dated 03/14/2023 re: Silicon Valley Bank, update from Michael Trotsky, Executive Director was received.

Minutes:

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve the minutes for February 23, 2023.

Roll Call: Ms. Kothman, Y; Mr. Teichert, Y; Mr. Hartwell, Y; Mr. Taylor, Y; Ms. Green, Y.

Monthly Payroll:

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve the March 2023 monthly payroll as follows:

Annuity	304,522.22		
Pension	1,297,538.81	Total	1,602,061.03

Roll Call: Ms. Kothman, Y; Mr. Teichert, Y; Mr. Hartwell, Y; Mr. Taylor, Y; Ms. Green, Y

Expenses - March expense warrant #2023-033(8)(c) Payments (to other Retirement systems):

Lexington Retirement	5,161.54	
Worcester Regional Retirement	11,040.39	
	Total 3(8)(c):	16,201.93
Brown & Brown of Massachusetts, LLC - fiduciary insurance renewal		8,803.00
Konica Minolta Business Solution, BW & Color Copies		37.48
Konica Minolta Premier Finance, monthly fee (2 months)		336.00
Elena Kothman - ET digital access reimbursement for February		26.99
MTRS - Transfer out: Acct of April L Bowen		2,401.71
Deds = 9% = \$2,390.56, interest = \$11.15		
Cred Serv = 1.4167 years = 03/27/2017-09/01/2018		
Refund: Acct of Gary Gearin, retirement deds taken in error		846.25
Refund: Acct of Mary K Poe to survivor E Carey Poe		94,714.40
Option B refund, balance remaining in acct upon death 02/21/2023		
Refund: Acct of Ann Sermos to survivor Evan Sermos		24,340.96
Option B refund, balance remaining in acct upon death 02/20/2023		

Refund/Rollover: Acct of Elizabeth Trudeau	522.48
Deds = 9% = \$497.30, interest = \$25.18	
Cred Serv = 0.1667 years = 11/16/2020-02/03/2021	
The Law Offices of Michael Sacco, February 2023	26.00
Town of Andover:	
Elena Kothman	10,548.50
Helen Armano	8,066.30
Vincent Malgeri	1,938.00
Susan McKelliget (01/26/2023)	250.00
Total Salaries:	20,802.80
Town of Andover:	
Hayley Green	250.00
Michael Morse	250.00
Total Stipends:	500.00
WB Mason, Misc Office Supplies	417.23
<u>Total expenses - Warrant #2023-03:</u>	169,977.23

Ms. Green asked about the Konica/Minolta copy machine invoices which seemed to appear twice. Ms. Kothman explained that because of the timing of the bill, and to avoid late fees, payments are being made for two months at this time.

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve the total expenses of \$169,977.23 as printed in warrant #2023-03. Ms. Green abstained from voting on her stipend and Ms. Kothman abstained from voting on her salary and her ET digital access reimbursement.

Roll Call: Ms. Kothman, Y; Mr. Teichert, Y; Mr. Hartwell, Y; Mr. Taylor, Y; Ms. Green, Y.

The Board noted the following receipts:

Receipts:

Employee Contributions - February 2023:	
Town	253,530.98
School	112,131.71
AHA	4,478.44
Total employee contributions:	370,141.13
<u>Misc Receipts:</u>	
Amesbury 3(8)(c) payment rec'd	1,547.20
Beverly 3(8)(c) payment rec'd	1,980.33
Cambridge 3(8)(c) payment rec'd	16,901.90
Danvers 3(8)(c) payment rec'd	39,831.70
Everett 3(8)(c) payment rec'd	788.89
Hull 3(8)(c) payment rec'd	3,556.42
Lawrence 3(8)(c) payment rec'd	46,038.29
Malden 3(8)(c) payment rec'd	982.20
Melrose 3(8)(c) payment rec'd	3,495.83
Methuen 3(8)(c) payment rec'd	12,902.24
Middlesex County 3(8)(c) payment rec'd	91,358.74

MTRS 3(8)(c) payment rec'd (ACH)	33,725.40	
Natick 3(8)(c) payment rec'd	31,934.07	
Newton 3(8)(c) payment rec'd	1,642.33	
Reading 3(8)(c) payment rec'd	18,556.88	
Salem 3(8)(c) payment rec'd	5,092.36	
Somerville 3(8)(c) payment rec'd	3,608.54	
Winchester 3(8)(c) payment rec'd	2,467.23	
Total 3(8)(c):		316,410.55

Transfers in:

Monica A Gregoire, Town, from Essex Regional Retirement 13,402.63
 Deds = 9% = \$12,172.52, 2% = 1,185.80, interest = \$44.31
 Cred Serv = 2.5000 years = 01/02/2018-07/02/2020

Nicole C Kramer, Town, from Essex Regional Retirement 43,459.49
 Deds = 9% = \$39,969.94, 2% = 3,331.53, interest = \$158.02
 Total Cred Serv = 9.1667 years = 01/02/2018-07/02/2020
 Middlesex County Retirement = 03/11/2013-10/06/2016 = 3.5000 years
 Barnstable County Retirement = 09/26/2016-01/27/2021 = 4.3333 years
 Essex Regional Retirement = 01/19/2021-05/24/2022 = 1.3333 years

Transfers In total: 56,862.12

Total Receipts: 743,413.80

The Board was informed of the following:

Retirement Allowance Calculations approved by PERAC:

Bonita Hajjar, Town, DOR 11/12/2022, Cred Serv = 15y, 1m, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	30,172.32	2,514.36

Donna Walsh, Town, DOR 12/31/2022, Cred Serv = 31y, 4m, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	112,789.56	9,399.13

Ellen Lynch, School, DOR 01/28/2023, Cred Serv = 12y, 1m, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	14,748.96	1,229.08

Kevin Connors, Town, DOR 09/05/2017, Cred Serv = 35y, 5m, Accidental Disability

	<u>Annual</u>	<u>Monthly</u>
Allowance	96,005.88	8,000.49

Retirement Allowance Recalculations approved by PERAC:

John McQuade, Town, DOR 07/05/2022, Cred Serv = 10y, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	11,917.80	993.15

Mark Gardella, Town, DOR 07/10/2022, Cred Serv = 22y, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	35,987.76	2,998.98

Michael Shanahan, Town, DOR 07/16/2022, Cred Serv = 15y, Accidental Disability

	<u>Annual</u>	<u>Monthly</u>
Allowance	69,793.20	5,816.10

Christopher McQuade, Town, DOR 11/03/2022, Cred Serv = 25y, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	33,401.52	2,783.46

Benjamin Ledwell, Town, DOR 11/06/2022, Cred Serv = 14y, 7m Accidental Disability

	<u>Annual</u>	<u>Monthly</u>
Allowance	70,537.36	5,878.13

Ordinary Disability Retirement approved by PERAC:

Francisco Melendez, DOR 12/02/2022

Report from the Executive Director:

PERAC memos: 10/2023 Tobacco company list; 11/2023 Board member educational training available; PERAC Pension News: State's Actuarial valuation, State Auditor - now Diane DiZoglio and other personnel changes;

PERAC email re: Extension of Open Meeting Law, and on Governor's Desk to sign;

Select Board voted in favor of 5% for FY 2023-- on a maximum base of \$13K;

Received Fidelity Fiduciary Liability insurance renewal certificate for 03/01/2023-03/01/2024;

Update re: 2023 Retiree affidavits - due by April 28, 2023;

Retirement office workload update - Ms. Kothman stated part of her evaluation includes updating the Retirement Board about the office workload. Ms. Kothman is extremely busy, and she is not complaining, because she likes to be busy rather than looking at the clock waiting for the work day to end. Ms. Kothman reported a significant amount of time is spent giving the Actuary data for the prior 2 years ended, and she believes KMS Actuaries has everything needed at this time for the 1/1/2023 Valuation. Ms. Kothman will inform Ms. Bournival the 5% COLA was approved and will remind her of the COLA base increase to \$14,000 effective July 1, 2023. The 2022 Annual Statement has been completed. Despite changes in rules --such as the one where coaching stipends are no longer retirement eligible—a recent case needed to be addressed on this matter. Backlogged storage issues and estimates that need to be run are ongoing workload issues. Ms. Kothman asked if the Board would add an agenda item to make the Temporary, Part-Time Retirement Office Assistant position to become permanent with increased hours beyond the current 19 hours a week to deal with the ongoing workload. Mr. Teichert asked Ms. Green to add this for next month's meeting.

Mr. Hartwell asked whether Retirement has an unclaimed property fund like the one the State Treasurer posts. Ms. Kothman said she is not required to post unclaimed money, but there is an annual notification to inactive members which must continue for at least 10 years. About half of the 282 inactive members have been notified, though some move or are otherwise difficult to reach. After 10 years, the monies go to a pension reserve fund. If an inactive member contacts the Retirement Office at a later date, after their funds have been transferred to pension reserve, they can be retrieved. Some members inquire many years after their funds have been transferred to the pension reserve fund.

FY2024 COLA

Ms. Kothman clarified a public hearing is not needed for the Board to vote for the FY2024 COLA of 3% because the CPI was well over 3%, at 8.7%. Ms. Kothman reminded the Board the max would be \$35 per month on a \$14,000 base.

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve a 3% COLA for FY2024.

Roll Call: Ms. Kothman, Y; Mr. Teichert, Y; Mr. Hartwell, Y; Mr. Taylor, Y; Ms. Green, Y

Cash/Accounting:

Cash Books:

December 2022

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve the trial balance, cash receipts, cash disbursements, adjusting journal entries, and bank reconciliation.

Roll Call: Ms. Kothman, Y; Mr. Teichert, Y; Mr. Hartwell, Y; Mr. Taylor, Y; Ms. Green, Y.

January 2023:

The Board conducted a first reading of the trial balance, cash receipts, cash disbursements, adjusting journal entries, and bank reconciliation. Vote to be taken next meeting.

February 2023:

The Board conducted a first reading of the trial balance, cash receipts, cash disbursements, adjusting journal entries, and bank reconciliation. Vote to be taken next meeting.

Cash balance: as of March 30, 2023

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve the cash balance as of March 30, 2023, in Bank of America for \$384,733.38.

Ms. Green asked if the number seemed high because of 3(8)(c) payments. Ms. Kothman said a large pension settlement in March, and transfer requests resulted in higher payments. Retroactive COLA payments will affect the amount next month, and the Board may need to vote to increase the maintenance balance beyond \$1.4M in May if needed.

Roll Call: Ms. Kothman, Y; Mr. Teichert, Y; Mr. Hartwell, Y; Mr. Taylor, Y; Ms. Green, Y.

Ms. Green noted receipt of the Cash Flow Forecast for March 2023 and the Budget compared to actual for 2022.

Next Meeting date

Ms. Green noted the next meeting is scheduled for Thursday, April 20, 2023, at 8:30 AM, which is a change from the originally scheduled 04/27/2023 date. Ms. Kothman informed the Board that Attorney Sacco and Greg McNeillie have conflicts with the revised date and will not be able to attend.

Adjourn

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to adjourn at 9:10 AM

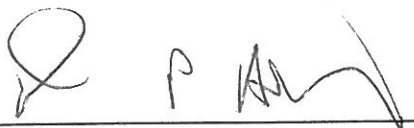
Roll Call: Ms. Kothman, Y; Mr. Teichert, Y; Mr. Hartwell, Y; Mr. Taylor, Y; Ms. Green, Y.



Hayley S. Green



Elena M. Kothman



Thomas P. Hartwell



Blackwell O.J. Taylor



Eric J. Teichert

Documents:

Dahab Associates
 Silicon Valley Bank/Signature Bank
 MMDT Statement
 PRIT Statement
 RhumbLine Statements
 Wire transfer confirmations
 Unofficial Minutes 02/23/23
 Monthly Payroll
 Expenses
 Receipts
 Transfers In
 Retirement Allowance Calculations approved by PERAC
 Retirement Allowance Recalculations approved by PERAC
 Ordinary Disability Retirement approved by PERAC
 PERAC memos:9-10/2023
 PERAC Pension News #62
 PERAC email re extension of open meeting law 03/31/2025
 Andover Select Board vote to approve 5% COLA for FY2023
 Fidelity Fiduciary Liability Insurance
 Cash books - December 2022, January 2023, February 2023
 Cash flow forecast March 2023
 Budget compared to actual - 2022