

The meeting of the Andover Contributory Retirement Board was called to order on Thursday, September 28, 2023, at 8:30 AM in the second-floor conference room located in the Town Offices. Members participating: Hayley Green, Chair, Elena Kothman, Blackwell Taylor, Eric Teichert and Deidre Lockhart. Also present: Office Coordinator Helen Armano, Recording Secretary Susan McKelliget, Attorney Michael Sacco, and Town Treasurer Michael Morse were also present.

Welcome Deidre Lockhart, new Retirement Board member:

Ms. Green opened the meeting by introducing Deidre Lockhart, and Ms. Lockhart gave the Board a brief background of her experience and reasons for joining the Retirement Board. She and her family have been residents of Andover for 12 1/2 years, during which time her children have attended both Andover public and private schools. Ms. Lockhart attended the Andover Leadership Academy, which prompted her to consider volunteer opportunities in Town in the banking and finance areas. She is looking to add value to the Retirement Board and the Andover community. The Board then welcomed Ms. Lockhart.

Public Hearing re: Supplemental Regulation/Electronic Signatures:

Ms. Green said this issue was briefly discussed at the last meeting, as there is currently no formal regulation in place for electronic signatures. Ms. Kothman worked with Attorney Sacco to draft the Supplemental Regulation before the Board. This proposed regulation would permit electronic signature for the business of the retirement office with the exception of application for superannuation retirement, application for withdrawal of accumulated deductions, application for disability, biennial affidavits, option selection form, and physician statement pertaining to a member's application for disability retirement.

Ms. Green announced this was a public meeting and the public was welcome to speak, however no members of the public were present. Ms. Green asked if this proposed regulation pertained to Board members' business such as signing off on payroll or just for members signing documentation, and Attorney Sacco said the language as is, covers the business of the Board.

Ms. Green noted the language pertaining to physicians' statements which was removed at the last meeting, was added back in. Attorney Sacco explained that although faxes with so-called "wet" signatures are acceptable as they involve an original signature, it is more difficult to tell if electronic signatures which are not hand-written, have been witnessed in the doctor's office. Attorney Sacco also said it is up to the Board to accept electronic as well as faxed signatures. Ms. Lockhart asked if it would clarify the issue for the future to specify that faxes with signatures are acceptable and Attorney Sacco said PERAC has acknowledged faxes as acceptable and though it could be included, was not needed for validity.

Ms. Kothman said this regulation will be submitted to PERAC for their review and made a motion to approve the regulation. At that point, Mr. Taylor asked for further discussion as he referred to definitions of fax signatures as electronic signatures in the proposed regulation. Discussion followed on definitions of scanned documents, faxes and the like. According to PERAC, physician statements by fax are permissible. The motion made by Ms. Kothman was withdrawn from consideration and an amendment to remove the language "Physician's statement pertaining to a member's application for Disability Retirement" was put forth so it would no longer be considered an exclusion.

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 5-0 to approve the Electronic Signature Regulation as amended by removing the physician's statement pertaining to a member's application for Disability Retirement.

12(2)(d) case - son of Nancy J Anderson:

Ms. Green opened the discussion in reference to member, Nancy J. Anderson, who passed away as an active member of the system. Ms. Green turned the floor over to Ms. Kothman for further details. Ms. Kothman noted in the case of an active employee who dies prior to retirement, there are benefit options for survivors. Ms. Kothman explained the estranged spouse (husband) came to the Retirement Office and signed documentation waiving his rights to section 12(2)(d) benefits. Ms. Kothman then contacted the named beneficiary listed on the form and that person applied for the benefits under the same statute. Attorney Sacco explained the life-time benefit is applicable to a single beneficiary, meaning there can only be one named beneficiary under section 12 (2) (d).

Ms. Anderson submitted her completed beneficiary form in 2006. At that time, the form did not state that a witness must be a disinterested party and in this situation the beneficiary was also the witness. PERAC has since updated the beneficiary form. Attorney Sacco suggested the Board forward the applicable documents to PERAC for their opinion as to whether or not this award would be permissible. If PERAC approves it, then the benefit would be paid retroactively. A response from PERAC could take 30 days or longer.

It was moved by Mr. Teichert, seconded by Ms. Lockhart, and voted 5-0 to table this issue and seek a legal opinion from PERAC before making a Board decision.

Ms. Kothman will forward the documentation to PERAC.

Insurance renewal:

Ms. Green noted this year's deductible increased from \$10K to \$25K. She asked whether the Board wished to keep the same deductible for a premium costing an extra \$1,358.95. If the Board wanted a smaller increase in the premium, \$78.95 more than last year, the deductible would increase to \$25K. Ms. Green asked what other systems are doing and Ms. Kothman said they are all different. Mr. Taylor said the amount is still under the amount budgeted. Ms. Kothman added that there would also be taxes and fees that would require a change to the budget. This type of insurance has increased over other years.

It was moved by Mr. Taylor, seconded by Mr. Teichert, and voted 5-0 to maintain the \$10K deductible with a premium of \$6,608 plus fees.

Investments:Statements:MMDT:

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 5-0 to approve the MMDT statement for 08/31/2023.

MassPRIM/PRIT

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 5-0 to approve the MassPRIM/PRIT statement for 08/31/23.

RhumbLine:

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 5-0 to approve the following RhumbLine statements received: Mid Cap 400 & Small Cap 600 08/31/2023.

MassPRIM/PRIT:

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 5-0 to confirm a wire transfer of \$1,700,000.00 to PRIT Real Estate.

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 5-0 to confirm the wire transfer of \$1,200,000.00 for September operating expenses.

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 5-0 to approve the wire transfer of up to \$1,600,000.00 for October operating expenses.

Ms. Green briefly explained the monthly vote of the above investments to Ms. Lockhart. Ms. Lockhart asked for clarification regarding the transfer of funds to PRIT Real Estate and Mr. Taylor explained the various sleeves and outside managers with the overall strategy of rebalancing the portfolio under the guidance of Dahab Associates.

Ms. Green noted the 2023 PRIM Client Conference, 10/25 2023, 8:30 AM to 1:00 PM at Babson College Babson Executive Conference Center, 1 Snyder Drive, Wellesley, MA. Three educational credits.

Ms. Green noted the Investment Committee met a few weeks ago expressing an interest in private debt investments. She reached out to Dahab about these private debt funds, and Mr. Condy noted that to some extent we are already investing in that area. Ms. Green encouraged the investment committee to attend one of our meetings. Mr. Taylor said it would be a good idea to find out more about this area and the fee amounts. At this time, Ms. Kothman stated PRIM Board was expected to attend the October Board meeting and she will contact them prior meeting so that they will be prepared to answer questions the Board may have.

RhumbLine

It was moved by Mr. Teichert, seconded by Mr. Taylor, and voted 5-0 to confirm the transfer of \$1,800,000.000 from Mid Cap 400 to Small Cap 600.

Minutes:

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 4-0-1 to approve the minutes of August 24, 2023. Ms. Lockhart abstained.

Monthly Payroll:

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

Annuity	\$322,197.58	
Pension	\$1,310,090.66	Total \$1,632,288.24

Expenses - September expense warrant #2023-09

Amesbury Retirement - Transfer out: Acct of Alan Fowler	22,984.33
Deds = 9% = \$21,142.52, 2% = \$1,795.64, interest = \$46.17	
Cred Serv = 4.8333 years = 09/05/2018-07/07/2023	
Konica Minolta Business Solution, BW & Color Copies	14.68
Konica Minolta Premier Finance, monthly fee	168.00
Elena Kothman - ET digital access reimbursement for August	29.99
Haverhill Retirement - Transfer out: Acct of Sarah McGrade	4,745.63
Deds = 9% = \$4,741.19, 2% = \$0.00, interest = \$4.44	
Cred Serv = 2.5000 years = 11/30/2020-06/16/2023	
MTRS - Transfer out: Acct of Rachel Drew	1,122.58
Deds = 9% = \$1,120.71, 2% = \$0.00, interest = \$1.87	
Cred Serv = 0.5000 years = 01/01/2021-06/30/2021	
Refund/Rollover: Acct of Katterina Arevalo	16,418.48
Deds = 9% = \$15,163.14, 2% = \$1,202.85, interest = \$52.49	
Cred Serv = 3.5833 years = 08/01/2017-04/03/2021	
Refund/Rollover: Acct of Van T Do	9,545.41
Deds = 9% = \$8,483.82, interest = \$1,061.59	
Total Cred Serv = 5.8333 years	
Andover = 09/01/2015-02/26/2021 = 5.4167 years	

Andover buyback = 03/31/2015-08/31/2015 = 0.4167 (non-taxable)	
Refund: Non-taxable portion - Acct of Van Do	82.57
Refund: Acct of Eileen Perron	7,757.12
Deds = 9% = \$7,331.98, 2% = \$32.84, interest = \$392.30	
Cred Serv = 4.9167 years 09/10/2018-08/14/2023	
The Law Offices of Michael Sacco, August 2023	1,208.00
Town of Andover:	
Elena Kothman	8,649.80
Helen Armano	6,614.36
Vincent Malgeri	1,589.16
Susan McKelliget (08/24/2023)	250.00
Total Salaries:	17,103.32
Town of Andover:	
Hayley Green	250.00
Michael Morse	250.00
Total Stipends:	500.00
WB Mason, Misc office supplies	448.11

Total expenses - Warrant #2023-09:

It was moved by Mr. Teichert, seconded by Mr. Taylor, and voted 5-0 to approve the total expenses of \$82,128.22 as printed in Warrant # 2023-09. Ms. Green abstained from voting on her stipend, Ms. Kothman abstained from voting on her salary and her ET digital access reimbursement.

The board noted the following receipts:

Receipts:

Employee Contributions - August 2023:

Town	314,142.97	
School	45,854.23	
AHA	4,223.84	
Total employee contributions:		364,221.04

Misc Receipts:

State Retirement Board, 3(8)(c) payment rec'd (ACH)	138,703.35
Reimbursement of Retro 2% deductions	1.60

Transfers in:

Ryan Raycraft, Town, from Haverhill Retirement	16,776.56
Deds = 9% = \$15,910.10, 2% = 835.54, interest = \$30.92	
Cred Serv = 4.4167 years = 01/02/2019-06/23/2023	

Transfers In total:

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 5-0 to approve transfers in total of \$16,776.56.

Total Receipts: 519,702.55

Intent to Retire:

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 5-0 to approve the following intents to retire:

Sandra Gerraughty, Town/Finance, DOR 08/28/2023, Cred Serv = 18y, 1m, Superannuation
Jane Melia, Town/Assessors, DOR 09/16/2023, Cred Serv = 36y, 4m, Superannuation

Retirement Allowance Calculations approved by PERAC:

David Van Dooren, Town/DPW, DOR 08/12/2023, Cred Serv = 36y, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	51,589.44	4,299.12

Daniel Verrington, Town/Cemetery, DOR 08/15/2023, Cred Serv = 36y, 1m, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	55,053.00	4,587.75

Jennifer DiFrancesco, School, DOR 08/27/2023, Cred Serv = 20y, 8m, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	11,282.40	940.20

Mary O'Neil, School, DOR 09/01/2023, Cred Serv = 14y, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	11,826.36	985.53

Thyra Sherman, School, DOR 09/01/2023, Cred Serv=20y, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	13,214.52	1,101.21

Deaths: The board was informed of the following death and Ms. Green expressed her condolences:
Helen Sellers, Town/Library, DOD 09/06/2023, DOE 09/13/1982, DOR 09/16/2006

Report from the Executive Director:

PERAC 2022 Investment Report - Mr. McNeillie of Dahab Associates talked about this last month, Ms.

Kothman included Excel spreadsheets with various sort options;

PERAC memo 19/2023: Tobacco Company list, in compliance

PERAC Pension News #63: modernizing documentation, no real impact on Andover

PERAC Emerging Issues forum held 09/21/2023: Eric Teichert attended and gave a brief report on the Emerging Issues Conference. He spoke briefly about the MBTA private trust pension system, separate from PERAC and public record laws. He also touched on civil service issues.

PERAC Fraud Alert on attempts to intercept retirees' information, Ms. Kothman removed the direct deposit form from the website following a fraudulent attempt and noted office staff always follows up with the retiree when any change to an account is received.

MACRS Fall Conference, October 1 - October 4, 2023, Springfield, MA

It was moved by Mr. Taylor, seconded by Ms. Kothman, and voted 4-0-1 to approve Mr. Teichert's attendance at the MACRS Fall Conference. Mr. Teichert abstained.

2024 DRAFT Retirement Board meeting dates, tentative

2024 Retirement Paycheck/Direct Deposit dates pay last business day of month.

Proposed Budget 2024:

The Board conducted a first reading of the proposed 2024 Budget - vote to be taken at next meeting. Ms. Kothman will update the budget to reflect the increase in insurance renewal.

Cash/Accounting:Cash Books:June 2023:

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

July 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.

August 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 September 28, 2023:

It was moved by Ms. Kothman, seconded by Mr. Teichert, and voted 5-0 to approve the cash balance as of September 28, 2023 in Bank of America of \$16,604.47

Ms. Green noted receipt of the Cash Flow Forecast for September 2023.

Next Meeting date:

Thursday, October 26, 2023 at 8:30 AM - PRIT Representatives attending

Other Business before the Board:

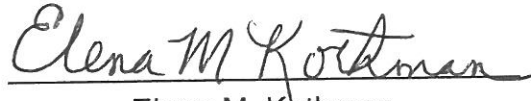
Mr. Teichert noted that deceased Fire Lieutenant and former Retirement Board Member James Cuticchia was recently honored in a ceremony in Denver Colorado. Lt. Cuticchia's name was placed on the International Association of Firefighters Memorial Wall. Mr. Teichert noted he and several other Andover firefighters were in attendance, along with members of Lt. Cuticchia's family who were presented with a flag. Lt. Ian Timmons obtained a piece of the old Ballardvale fire station, cleaned it and put it in a glass display box engraved with Lt. Cuticchia's name.

Adjourn:

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 5-0 to adjourn the regular session at 9:28 AM.



Hayley S. Green



Elena M. Kothman



Deidre Lockhart



Blackwell O.J. Taylor



Eric J. Teichert

Documents:

Public Hearing re: Supplemental Regulation/Electronic Signatures
Insurance Renewal documents
MMDT Statement
PRIT Statement
RhumbLine Statements
Wire transfer confirmations
2023 PRIM Conference Babson College
Unofficial Minutes 07/27/23
Monthly Payroll
Expenses
Receipts
Intent to Retire
Deaths

PERAC 2022 Investment Report
PERAC Memos
PERAC Pension News #63
PERAC Fraud Alert
MACRS Fall Conference
2024 Draft Retirement Board Mtg dates
2024 Retirement Paycheck/Direct Deposit dates
Proposed Budget 2024
Cash Books - June, July, August 2023
Cash flow forecast September 2023