

The meeting of the Andover Contributory Retirement Board was called to order on Thursday, January 25, 2024, at 8:30 AM in the Second floor Conference Room. Members participating: Hayley Green, Chair, Elena Kothman, Blackwell Taylor, and Eric Teichert. Also present: Office Coordinator Helen Armano and Recording Secretary Susan McKelliget. Board member Deidre Lockhart was absent.

Investments:

Dahab Associates

Ms. Green said she spoke with Kevin Condry of Dahab Associates about the preliminary fourth quarter portfolio performance numbers showing 7.5% return for that quarter, while bringing the year-to-date return to 12.1% -- and noting December was a good month. Mr. Condry sent an email titled "Andover returns vs. benchmarks" dated January 22, 2024, describing overall system performance and this was distributed to Board members. Ms. Kothman noted the timeliness of this information as the Investment Committee is scheduled to meet tonight.

Statements:

MMDT:

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 4-0 to approve the MMDT statement for 12/31/2023.

MassPRIT:

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 4-0 to approve the Mass/PRIT statement for 12/31/2023.

RhumbLine:

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 4-0 to approve the following RhumbLine statements received: Mid Cap 400 & Small Cap 600 12/31/2023.

MassPRIM/PRIT:

It was moved by Mr. Teichert, seconded by Mr. Taylor, and voted 4-0 to confirm the wire transfer of \$1,025,000.00 for December operating expenses.

It was moved by Mr. Teichert, seconded by Mr. Taylor, and voted 4-0 to approve the wire transfer of \$1,450,000.000 for January operating expenses.

It was moved by Mr. Teichert, seconded by Mr. Taylor, and voted 4-0 to approve a wire transfer of up to \$1,600,000.00 for February 2024 operating expenses.

Minutes:

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 4-0 to approve the December 21, 2023, Regular & Executive Session Minutes.

Executive Session minutes review:

Ms. Green explained the Board periodically reviews Executive Session minutes to determine which if any should be made public. There were three Executive Sessions with minutes this year. Attorney Sacco reviewed these minutes and recommended keeping all three sets of minutes private. This means if there is a request for minutes, any minutes deemed to be private, are not released as public. Typically, they are considered to be private if they contain personal information and/or further action on the matter is pending. Ms. Kothman said a decision on the private vs. public nature of Executive Session minutes could be reconsidered depending on how a matter under review is resolved.

It was moved by Mr. Teichert, seconded by Mr. Taylor, and voted 4-0 to regard the three 2023 Executive Session minutes as private.

Monthly Payroll:

It was moved by Ms. Kothman, seconded by Mr. Teichert, and voted 4-0 to approve the payroll as follows: January 2024

Annuity	326,467.32	
Pension	1,311,434.39	Total 1,637,901.71

Expenses - January expense warrant #2024-01:

3(8)(c) Payments (to other Retirement systems):

Lawrence Retirement	2,722.58	
Marblehead Retirement	18,551.39	
Middlesex County Retirement	23,856.19	
Somerville Retirement	3,552.28	
Taunton Retirement	20,000.48	
	Total 3(8)(c) :	68,682.92

Civic Plus - 2024 renewal fee for web site hosting (via ACH) 1,320.00

Concord Retirement - Transfer out: Acct of Jessica L Porter 171,569.13

Deds = 9% = \$47,817.77, 2% = \$22,586.33, interest = \$1,165.03

Total Cred Serv = 16.0833 years

Middlesex County Ret = 06/09/2007-08/14/2015 = 8.0833 years

Belmont = 09/08/2015-10/03/2020 = 5.0833 years

Andover = 11/02/2020-10/28/2023 = 2.9167 years

Dahab Associates, 4th qtr fee 2023 12,500.00

KMS Actuaries LLC, 4th qtr invoice 4,000.00

Konica Minolta Premier Finance, monthly fee 168.00

Elena Kothman - ET digital access reimbursement for December 29.99

Lawrence Retirement - Transfer out: Acct of Laura Wooster 6,485.65

Deds = 9% = \$6,477.10, 2% = \$0.00, interest = \$8.55

Total Cred Serv = 2.9167 years

Andover = 09/14/2020-08/23/2023

Middlesex County Retirement - Transfer out: Acct of Connor P Reardon 3,765.17

Deds = 9% = \$3,762.75, 2% = \$0.00, interest = \$2.42

Total Cred Serv = 1.5000 years

Andover = 12/01/2021-05/25/2023 = 1.4167 years

Andover = 09/18-11/03/2023 = 0.0833 years

NCPERS, 2024 membership renewal 305.00

Pension Technology Group, LLC - 2024 renewal (via ACH) 42,500.00

Powers & Sullivan, GASB 67/68 12/31/2022, ½ paid by Town 2,500.00

RhumbLine Advisers, 4th qtr invoice 4,340.00

Refund/Rollover: Acct of Cindy L Button 33,509.62

Deds = 9% = \$27,867.97, 2% = \$4,277.78, interest = \$1,363.87

Cred Serv = 3.1667 years = 07/01/2020-09/01/2023

The Law Offices of Michael Sacco, December 2023 666.00

Town of Andover:

Elena Kothman 8,649.80

Helen Armano 6,614.36

Vincent Malgeri 1,589.16

Susan McKelliget (12/21/2023) 250.00

Total Salaries: 17,103.32

Town of Andover:

Hayley Green	250.00
Michael Morse	250.00

Total Stipends: 500.00

Total expenses - Warrant #2024-01: 369,944.80

Ms. Green asked whether the Pension Technology Group fee of \$42,500.00 was the amount to be paid and Ms. Kothman confirmed this was correct.

It was moved by Mr. Taylor, seconded by Mr. Teichert, and voted 4-0 to approve the total expenses of \$369,944.80 as printed in warrant #2024-01. 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 - December 2023:

Town	256,534.75	
School	124,422.18	
AHA	5,796.95	
Total employee contributions:		386,753.88

Misc Receipts:

State Retirement - COLA payment rec'd (July-Dec 2023)	23,039.94
---	-----------

Transfers in:

Vanessa French, Town, from Middlesex Retirement	2,008.89
Deds = 9% = \$1,855.78, 2% = \$144.73, interest = \$8.38	
Total Cred Serv = 0.4167 years	

Michael Egitto, Town, from State Retirement	21,849.03
Deds = 9% = \$19,733.17, 2% = \$2,084.11, interest = \$31.75	
Total Cred Serv = 3.1667 years	

Christopher Sharkey, Town, from Stoneham Retirement	128,186.86
Deds = 9% = \$111,979.04, 2% = \$15,202.35, interest = \$1,005.47	
Total Cred Serv = 16.0000 years	
Watertown (Group 4) = 05/31/2007-11/06/2002 = 15.4167 years	
Stoneham = 02/21/2023-10/13/2023 = 0.5833 years	

Transfers In total:

152,044.78

It was moved by Ms. Kothman, seconded by Mr. Teichert, and voted 4-0 to approve transfers in total of \$152,044.78.

Total Receipts: 561,838.60

Intent to Retire:

It was moved by Ms. Kothman, seconded by Mr. Taylor, and voted 4-0 to approve the following intents to retire:

Anne Berthold, Town/Assessors, DOR 01/13/2024, Cred Serv = 24y, 2m, Superannuation
Kurt Kefferstan, Town/DPW, DOR 01/13/2024, Cred Serv = 25y, 5m, Superannuation

Deaths:

The Board was informed of the following deaths, and Ms. Green expressed her condolences. Virginia F. Caswell, Town/C, D & P, DOD 01/01/2024, DOE 01/12/1970, DOR 06/30/1998
Kenneth Laurenti, Sch/Custodian, DOD 01/18/2024, DOE 10/01/1984, DOR 07/01/2004

The Board was informed of the following:

Retirement Allowance Calculations approved by PERAC:

Christopher Anderson, School/Survivor of Nancy Anderson - DOD/DOR 08/02/2023, 12(2)(d)

	<u>Annual</u>	<u>Monthly</u>
Allowance	3,439.44	286.62

Robert Charette, Town/DPW, DOR 12/31/2023, Cred Serv = 22y, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	29,565.00	2,463.75

Ms. Green asked whether the status of Christopher Anderson changed. Ms. Kothman said after the Board approved benefits for Mr. Anderson at the last meeting, she submitted calculations for the monthly and annual benefit amounts to PERAC who reviewed and approved those amounts.

Report from the Executive Director:

PERAC memos: 1-6/2024; Memo 1 for 2024, is an annual review of medical testing fees; Memo 2 explains the 2024 interest rate (0.1%) for members accounts; Memo 3 explains the IRS new minimum distribution age as 73 years old; Memo 4 updates the general benefit limit for 2024 as \$275,000; Memo 5 impacts members who joined after 1/1/2011 with respect to limits on regular compensation, Memo 6 covers COLA information for FY 25.

PERAC Pension News #64—challenging matters presented, funded ratios, discount rate at 7%, teacher COLAs, veteran services, Parsons retiring. Approval of electronic signature regulation. Mass Retirees *The Voice January* 2024—Social Security WEP impact, increased COLA base in some towns

IRS proposed 2024 Mileage rate - \$0.67 - It was moved by Mr. Taylor, seconded by Mr. Teichert and voted 4-0 to approve the proposed 2024 mileage rate of \$0.67 per mile.

The Board was presented with a list of 118 New Members added in 2023. It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 4-0 to approve new members added per the list provided. The Board noted 31 new retirements in 2023.

12/31/2022 - Audit of Specific Elements, Accounts & Items of Financial Statements: Powers & Sullivan - The Board reviewed the private audit done by Powers & Sullivan through the Town.

The Board noted receipt of a notice from the Office of the Inspector General regarding an Advisory re Off-Boarding & Banking Controls dated 1/11/2024: protects public funds from fraud. The Retirement Office conducts verifications of changes requested and works closely with the Treasurer's Office to maintain data security.

The Board was reminded by a State Ethics Commission email and recent town clerk notice of Conflict of Interest Law Training, which is required every two years with an annual acknowledgement of receipt of the Conflict of Interest Laws. Board members who complete this training will be granted 3 educational credits by PERAC by logging on to Prosper and uploading their certificate.

PTG: Pension Software provider Pre-payment discount proposal—Ms. Kothman explained the Retirement Board has a five-year contract in place for this software but the company recently offered a discount of \$9,372.00 if the Board agrees to prepay 2 years in December 2024 for the years 2025 & 2026. The amount to be pre-paid in December 2024 equals \$82,800.00. Ms. Kothman said the discount may be due to the new company, Bay State Pension Solutions, providing competition with PTG software. Ms. Kothman said at this time she is satisfied with PTG and would like to continue with them, while observing how other pension boards do with the competing firm. Ms. Kothman would need to give PTG notice of intent to take advantage of the discount and if this is approved by the Board, the contract will need to be amended. Attorney Sacco reviewed the contract and proposed amendment and didn't note any issues. Ms. Kothman noted the contract contains a 60-day termination clause which if used, would be timed to end at or close to the end of the contract so as not to forfeit any monies.

It was moved by Mr. Teichert, seconded by Mr. Taylor, and voted 4-0 to continue with PTG and take advantage of their discount offer for prepayment of two years.

The Board was reminded of their Statements of Financial Interest (SFI) due to PERAC through Prosper by 5/1/24. Ms. Kothman also mentioned that some Board members need to update their eligibility as well. Ms. Kothman informed the Board the fifth member term held by Mr. Taylor ends April 4, 2024, and if Mr. Taylor is interested in remaining in that Board position for another three years, he should let the Board know. The position is required to be posted regardless if Mr. Taylor wishes to renew or not. Ms. Kothman also noted that Mr. Teichert's term as an elected member ends June 16, 2024. A proposed Election Timeline will be presented to the Board at its February meeting.

Cash/Accounting:

Cash Books:

October 2023:

It was moved by Mr. Teichert, seconded by Mr. Taylor, and voted 4-0 to approve the trial balance, cash receipts, cash disbursements, adjusting journal entries, and bank reconciliation.

November 2023:

The Board reviewed the trial balance, cash receipts, cash disbursements, adjusting journal entries, and bank reconciliation. Vote to be taken at next meeting.

Cash balance:

It was moved by Mr. Teichert, seconded by Mr. Taylor, and voted 4-0 to approve the cash balance as of as of January 25, 2024, Bank of America \$17,892.35.

Ms. Green noted receipt of the Cash Flow Forecast for January 2024.

Next Meeting date:

Thursday, February 22, 2024 at 8:30 AM - 2nd floor Conference room

Other Business before the Board:

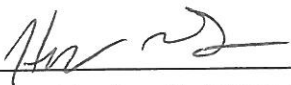
Ms. Kothman noted she received a data request from KMS Actuaries needed for the GASB report for 12/31/2023 and she will be working on closing out the 2023 cash books prior to providing that data.

Ms. Kothman said she and the staff have been reviewing the expense warrant PTG offers, which may look different than the current expense warrant if it is determined to be more useful. Ms. Green asked if this is a new feature that will incur additional fees and Ms. Kothman explained it is already include in the current program, no additional fees would be paid.

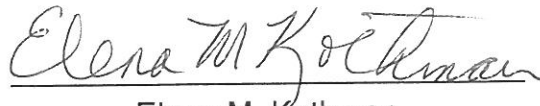
Ms. Kothman informed the Board the Retirement Office received an Open Meeting Law request from Patrick Higgins & Associates seeking copies of the Board's meeting minutes going back to 2020, including regular and Executive Session. Ms. Kothman noted an Open Meeting Law request differs from a Public Records request because it requires a response within ten days - including weekend days, whereas a Public Records request requires a response within ten *business* days. Ms. Kothman stated Ms. Armano has gathered the data requested and will respond to Mr. Higgins accordingly.

Adjourn:

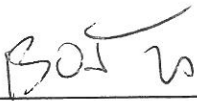
It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 4-0 to adjourn the meeting at 9:08 A.M.



Hayley S. Green



Elena M. Kothman



Blackwell O.J. Taylor



Eric J. Teichert

Documents:

Dahab email 1/22/24 re Andover Returns vs benchmarks
 MMDT Statement
 PRIT Statement
 RhumbLine Statements
 Wire transfer confirmations
 Regular & Exec Session Minutes 12/21/23
 2023 Exec Session Minutes review
 Monthly Payroll
 Expenses
 Receipts
 Transfers in
 Intent to Retire
 Deaths
 PERAC Memos 1-6/2024
 PERAC Pension News #64
 PERAC Approval Electronic Signatures supp regulation
 Mass Retirees The Voice Jan 24
 2024 Mileage rate \$0.67
 2023 New Members added
 2023 Retirements
 12/31/22 - Audit of Specific Elements, Accounts &
 Items of Financial Statements (Powers & Sullivan)
 OIG Advisory re Off Boarding & Banking Controls dated 1/11/24
 State Ethics Commission - Conflict of Interest Law Training
 PTG Pre-payment discount proposal
 Cash Books - October 2023
 Cash Books - November 2023
 Cash flow forecast December 2023