

**Worcester Retirement Monthly Board Meeting
June 8th 2023**

The Worcester Retirement Board will met in Open Public Session on Thursday, June 8th, 2023 in the Levi Lincoln Chambers, 3rd Floor, City Hall, Worcester, Ma. 01608 for their Regular Monthly meeting at 9:20 a.m.

All Board members were present.

The Board convened in Executive Eession pursuant to M.G.L. c. 30A, § 21(a) (1) and 21(a) (3) to conduct disability hearings and discuss litigation strategy regarding pending cases at 9:20 am and reconvened in open session at 10:50 am.

Next Meeting Dates were set for July 13th 2023 – Regular Meeting – 8:30 a.m.

The Board accepted collectively the May Regular Minutes

ALL BENEFITS APPROVED BY THE WORCESTER RETIREMENT BOARD ARE SUBJECT TO FINAL APPROVAL BY P.E.R.A.C.

Approved Collectively Superannuation M.G.L. c. 32 § 5

<u>Name</u>	<u>Dept</u>	<u>Pos</u>	<u>Years</u>	<u>Option</u>	<u>Effective Date</u>
Avedian, Andrew	WPD	SGT	29	C	05/18/2023
Comerford, Paul	WPS	Auto Systems Mgr	22	B	06/30/2023
Belinskias, Madeleine	WPS	IA	35	A	06/30/2023
Berrios, Patricia	WPS	Café	30	A	06/16/2023
Courtemanche, Claire	WPS	IA	14	A	06/30/2023
Gleason, Laura	WPS	IA	24	A	06/30/2023
Gurbanov, Katherine	LBRY	LBRN	24	A	06/02/2023
Hurtubise, Laureen	WPS	Café	26	B	06/09/2023
Morocco, Joann	WPS	Café	24	B	06/20/2023

Approved Collectively Member Survivor Benefit M.G.L. c. 32 § 12(2)d

Widow of Halloran, Robert	WFD	FF	29	DOD 05/11/2023
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R. Stearns gave summary of the monthly financials. The Board filed. L. Poske informed the Board the budget for office expenses was greater than expected this year and will propose re-balance next meeting.

There were no new PERAC Memo or Retiree Evaluations

Approved Collectively Warrants:

<u>No.</u>	<u>PaidDate</u>	<u>Description</u>	<u>Amount</u>
23-19	5/3/2023	May Expenses	\$200.00
23-20	5/9/2023	Member Transfers	126,673.18
23-21	5/19/2023	May Expenses	60,906.61
22-23	6/2/2023	Member Refunds	57,076.78
	05/05/2023	Office Employee P/R	6,219.20
	05/12/2023	Office Employee P/R	6,219.20
	05/19/2023	Office Employee P/R	6,219.20
	05/26/2023	Office Employee P/R	6,219.20
	05/31/2023	Board Stipend	1,875.00
	05/31/2023	May Retiree Benefits	8,716,899.29

The Board Adjourned at 11:10 a.m.

Respectfully Submitted

Lisa Poske, Executive Secretary

Elizabeth Early, Chair/ Elected Member

Matthew Wally, Appointed Member

Robert Stearns, Ex-Officio Member

John Mahan, Elected Member

Tamara Cullen, Fifth Member

The Following were handled in Executive Session:

Accidental Disability M.G.L. c. 32 § 7 & 94B Reports Received

O'Connor, Robert WFD FF 40 09/30/2020 DOR

Accidental Disability M.G.L. c. 32 § 7 & 93 Evidentiary

Donohue, Brian WPD Sgt 36 12/31/2022 DOR

May Executive Session Minutes

Worcester Retirement Board Meeting
Actuarial Review
June 8th 2023

The Worcester Retirement Board met at 10:30 A.M. on Thursday June 8th, 2023 for their annual actuarial review in the Levi Lincoln Chambers. E. Early, M. Wally, R. Stearns, T. Cullen, and J. Mahan were present. Kathy Riley and Andrew Luongo from Segal Co. were in attendance to present the 1/1/2023 valuation.

The valuation is a review based on the 2022 retirement system data.

Both the investment loss for 2022 and the 5% COLA that was recently awarded are affecting valuation results.

There was a 7.5% increase in total number of active employees from 2021 to 2022. Average Payroll increased 1.6%. Age remained stable.

In regard to pensioners there was an increase in the number of pensioners by .7% with the average payroll increasing 4% which does include the additional COLA increase.

At the beginning of 2022 the system had just come out of 2 years of large investment returns (11 % & 20%). There were around \$150M in gains that were not recognized in the funding schedule, this was to provide the system a buffer against adverse investments. The 2022 (-8%) loss did wipe out this buffer. The System is currently at an actuarial value 3% higher than the MVA. There are currently \$40M in losses not reflected in the valuation. If the expected return of 6.8% is met exactly over the next few years, then this loss will be reflected over next few years.

Average Salaries increased an average of 6% for people who were continuously active. The Board considered this possibly high. Andrew Luongo specified Retros were considered. R. Stearns mentioned more Retros incoming and discussed past retros and regrades. Andrew Luongo will work with Lisa on clarifying the salaries and see if any retros were not considered and report back to the Board.

The unfunded liability is \$449M leaving the system funded 73.5% on an Actuarial basis.

The Board was presented with the funding schedule. FY25 there is a 4.79% increase to take on some of the increased COLA liability. The payments will then increase 3.5% annually until 2034/2035.

The Board recessed at approximately 11:15 A.M.

Respectfully Submitted,

Lisa M. Poske, Executive Secretary

Matthew Wally, Appointed Member

Elizabeth A. Early, Elected Member, Chair

John F. Mahan, Elected Member

Robert V. Stearns, Ex Officio Member

Tamara Cullen, Fifth Member