

Regular Meeting – November 22, 2023

The Taunton Retirement Board (the “Board”) met at 9:00 a.m. today at the retirement board offices, 104 Dean St., Suite 203, Taunton, MA with Chairman Dennis M. Smith presiding and board members Barry J. Amaral, Ian D. Fortes, Thomas A. Bernier, and Gill E. Enos were in attendance.

Roll Call

All members were present at the 9:00 a.m. roll call.

Also present were:

Paul J. Slivinski, Executive Director

Karen Medeiros, Assistant Executive Director

Greg McNeillie, Dahab

Kevin Condy, Dahab

The Board met with reps. of Dahab Associates – Greg McNeillie & Kevin Condy – to review investment-related matters.

Investment Performance Q/E 9/30/2023

Mr. McNeillie and Mr. Condy reviewed the investment performance Q/E 9/30/23. Assets totaled \$382,048,364 at 9/30/23. Return for the quarter was -3.0% vs. policy index -3.1%. YTD performance was +4.1% vs. policy index +5.9%.

Growth equity has been an area of concern and a difficult asset class due to dominance by the big 7 tech companies. Polen Capital large-cap growth is currently underperforming although showing signs of improvement. They are in the 6th percentile since inception (2013) but have been between 55th and 90th percentiles over the last 5 years. Frontier mid-cap growth hasn't outperformed its index lately either. Dahab is looking for them to improve. Barksdale value equity has done well with the long term.

Allspring mid-cap value has outperformed in the mid-cap value category by 300 basis points since 2016. This makes up for Frontier's underperformance in the growth sector. International markets have done well. The EAFE index is up +7.6% vs. our Int'l manager composite at +9.2%. Mesirow high-yield bond has performed very well, high yield up 10.5%. Manulife core-plus fixed income ahead its benchmark. Composite fixed income is at +2.0% YTD vs. Aggregate index at -1.2%.

PRIT Private Equity Vintage Year 2024 program

The board reviewed a notice from PRIT for investment in the 2024 program and discussed committing a higher amount of money to get the allocation to private equity closer to its 5% target.

Private Credit RFP analysis

A private credit search was recently performed. Dahab received 41 submissions/products from 38 firms on behalf of the Taunton Contributory Retirement Board. Dahab performed a scoring procedure for those that were submitted. The top 3 scoring as highly advantageous were Constitution Capital Partners, Entrust Global and Golub Capital. Dahab noted that PRIT may soon offer a private-credit investment sleeve for retirement systems to invest in and this would allow for better participation in various vintage years and costs etc. The board took no further action at this time.

After review and discussion, the board voted as follows:

On the motion by Enos, seconded by Amaral it was unanimously

VOTED: to invest \$3mm in PRIT 2024 private equity vintage year program and to keep everything as is with no further changes at this time.

VOTE: 5-0-0

REGULAR BUSINESS:

Minutes – from the October 25, 2023 regular meeting & executive session and October 26, 2023 special meeting.

On the motion by Bernier, seconded by Enos, it was unanimously

VOTED: to approve the minutes.

VOTE: 5-0-0

Warrants – #92 thru #101 for 2023.

On the motion by Bernier, seconded by Enos, it was unanimously

VOTED: to approve the warrants.

VOTE: 5-0-0

New members of the system to date:

- Patrice Harmon, GATRA, Group 1, 9+2%
- Kelly Pimental, School, Group 1, 9+2%
- Brooke Gonsalves, School, Group 1, 9+2%
- Dercineida Da Cunha, Taunton Housing, Group 1, 9+2%
- Vincent Elliot, GATRA, Group 1, 9+2%
- Delaney Doucette, School, Group 1, 9+2%
- Joanna Pineda, School, Group 1, 9+2%
- Skai Henderson, GATRA, Group 1, 9+2%
- Caren Jewett, GATRA, Group 1, 9+2%
- Kara Foster, School, Group 1, 9+2%
- Priscilla Borges, School, Group 1, 9+2%
- Nereida Hernandez, School, Group 1, 9+2%
- Maliyah Howerton, GATRA, Group 1, 9+2%
- Randy Reynolds, GATRA, Group 1, 9+2%
- Cynthia Johnson, School, Group 1, 9+2%.

On the motion by Bernier, seconded by Enos, it was unanimously

VOTED: to approve the new members.

VOTE: 5-0-0

Refunds/transfers subject to D.O.R. liens:

- Courtney White, School Extended Day, transfer to Bristol County Retire System, *Taunton will accept 18 yrs and 5 mos of liability under G.L. c. 32, sec 3(8)c on a 12-mo basis 3/21/2005 to 8/25/2023.*
- James Shumway, Treasurer's, transfer to Plymouth County Retire Sys, *Taunton will accept 2 yrs and 2 mos of liability under G.L. c. 32, sec 3(8)c on a 12-mo basis 8/09/2021 to 10/13/2023.*
- Chad Hart, Refund, School, 11/21/2022 to 1/10/2023.
- Lynda Chaves, transfer to State Retirement, *Taunton will accept 11 mos of liability under G.L. c. 32, sec 3(8)c on a 12-mo basis 9/19/2022 to 9/08/2023.*
- Eben Rose, School, transfer to MTRS, *Taunton will accept 11 mos of liability under G.L. c. 32, sec 3(8)c on a 12-mo basis 9/02/2021 to 8/29/2022.*
- Bradley Kerrigan (from last month's vote to hold due to 4 yrs military service included)*
- Bernadette McLaughlin, School, transfer to MTRS, *Taunton will accept 9 mos of liability under G.L. c. 32, sec 3(8)c on a 12-mo basis 11/29/2021 to 8/31/2022.*

*The board discussed Mr. Kerrigan's transfer. This will be held until a decision on the military service is provided by Attorney Michael Sacco.

On the motion by Enos, seconded by Bernier, it was unanimously

VOTED: to approve all of the refunds/transfers except Bradley Kerrigan.

VOTE: 5-0-0

Retirement/survivorship applications:

- Robert A. Ferreira, School, Superannuation, DOR: 1/31/24, Group 1
- Thomas Noel, TMLP, Superannuation, DOR: 3/20/24, Group 4
- Daniel McCabe, Police, Superannuation, DOR: 12/31/2023, Group 4
- Mary Soderberg, School, Superannuation, DOR: 01/31/2024, Group 1
- Paul Gargiulo, DPW-Water, Accidental Disability, DOR: 10/27/2022, Group 1
- William B. Butler Jr., Superannuation, DOR: 1/20/24, Group 2

On the motion by Amaral, seconded by Fortes, it was unanimously

VOTED: to approve the retirements and survivorships.

VOTE: 5-0-0

Deaths

- Joan Shurtleff, DOD: 9/26/23, Superannuation Opt A, no further benefits payable, overpymt due is \$71.18.
- Paula Bergevin, DOD 11/11/23, Superannuation Opt B refund payable to beneficiaries.
- Robert Viera, DOD 11/13/23, Superannuation Opt B funds used up. No further benefits payable.
- Juan Jose Valencia, Fire, inactive, refund to be paid to beneficiary on file. Trying to obtain DOD and info. Board member Bernier will try to reach out to the Valencia family to obtain the necessary information on Juan Jose Valencia.

On the motion by Amaral, seconded by Bernier, it was unanimously

VOTED: to acknowledge deaths and place on file.

VOTE: 5-0-0

Make-up/redeposits and liability for creditable service:

- Ally Rodriguez (from last month's vote to hold – less than 10 yrs service) veteran credit purchase

On the motion by Enos, seconded by Bernier, it was unanimously

VOTED: to hold Ally Rodriguez's Veteran m/u until notification is received from attorney Michael Sacco on the military time.

VOTE: 5-0-0

PERAC Memo's and correspondence:

- 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 (supersedes Memo #24)
- PERAC Memo #25/2023 – Cybersecurity Training
- Michael P. Cote – notice of termination from PERAC due to non-compliance with 2022 Annual Statement of Earned Income.

On the motion by Bernier, seconded by Enos, it was unanimously

VOTED: to receive the PERAC memos and correspondences and place on file. It was also voted to approve a pending termination of allowance for Michael P. Cote if PERAC does not receive the necessary information to comply.

VOTE: 5-0-0

Investments & accounting:

- Accounting reports for m/e 09/30/2023 – Trial Balance, Cash Receipts & Disbursements, Journal Entries and General Ledger. Bristol County Savings Bank Checking account statement and reconciliation as of m/e 09/30/2023. After full review of all the reports, the board voted as follows:

On the motion by Enos, seconded by Bernier, it was unanimously

VOTED: to approve the Bristol County Savings Bank Checking account statement and reconciliation as of 9/30/2023 and all accounting reports for m/e 9/30/23.

VOTE: 5-0-0

- Investment Purchases (\$14,007,066.61) and Sales \$14,007,066.61 for m/e 09/30/2023.

On the motion by Bernier, seconded by Enos, it was unanimously

VOTED: to approve the purchases & sales as of 9/30/2023.

VOTE: 5-0-0

Funding & Budget requests:

- The Board reviewed budget expenditures and account balances thru m/e 10/31/2023.

On the motion by Enos, seconded by Bernier, it was unanimously

VOTED: to approve expenditures & balances and place on file.

VOTE: 5-0-0

- Retirement Expense budget – calendar year 2024

On the motion by Enos, seconded by Bernier, it was unanimously

VOTED: to approve the calendar year 2024 budget - \$660,000 for all administrative expenses and \$1,770,000 for investment-related expenses for a grand total of \$2,430,000.

VOTE: 5-0-0

Travel, Education & Conferences: there were none.

Legal matters:

- The Board reviewed legal expenses of \$1,950.00 for m/e 10/31/2023 for Atty. Michael Sacco.

On the motion by Amaral, seconded by Bernier, it was unanimously

VOTED: to approve the legal expenses for m/e 10/31/2023.

VOTE: 5-0-0

Executive Director's report

- 5th member position (board appointee) – current term of Barry Amaral to expire on 02/27/2024

On the motion by Enos, seconded by Fortes, it was unanimously

VOTED: to post the 5th position with a deadline on the post of 1/12/24 at 12pm.

VOTE: 5-0-0

- PERAC audit: FYI- Ex. Director Slivinski informed the board that PERAC is currently performing an audit of the Taunton Contributory Retirement System for years 2017-2020.
- Guiseppe Grasso (Fire dept.) domestic relations order (DRO)
FYI- Ex. Director Slivinski informed the board that he has reached out via email, letter and voicemail. The Board needs a duly authorized copy of the DRO between Mr. Grasso and his ex. Spouse Karen Last. He also discussed the harassing phone calls from Mr. Grasso's spouse-Karen Last. He informed the Board that she is threatening and extremely unstable. Ex. Director Slivinski relayed that he did send her a letter and a copy is in Mr. Grasso's file. At this time, the Board is awaiting a response and compliance by Mr. Grasso to file a qualified DRO.
- Dahab Associates – discuss conducting a formal review of Dahab's performance etc.
The board was unhappy with performance on a number of issues. The board asked the Ex. Director Slivinski if there was an RFP for consulting services available. Ex. Director replied in the affirmative but stated that the RFP may be out of date. The board instructed the Ex. Director to send the RFP that was used from our last procurement to attorney Michael Sacco and, once updated, to post the RFP for consulting services.

EXECUTIVE SESSION: There was none.

OLD BUSINESS: There was none.

NEW BUSINESS: There was none.

There being no further business to come before the board, it was voted to adjourn at 1:55 p.m.

APPROVED BOARD OF RETIREMENT

Ian D. Fortes, Ex-Officio Member

Paul J. Slivinski, Executive Director

Dennis M. Smith, Elected Member

Barry J. Amaral, Appointed Member

Thomas A. Bernier, Elected Member

Gill E. Enos, Appointed Member

Karen Medeiros, Asst. Exec Director