

Regular Meeting – November 30, 2021

The Taunton Retirement Board (the “Board”) met at 1:02 p.m. today at the retirement board offices, 104 Dean St., Suite 203, Taunton, MA with Chairwoman Ann Marie Hebert presiding and board members Barry J. Amaral, Thomas A. Bernier, Dennis Smith, and Gill E. Enos in attendance.

Roll Call

All members were present at the 1:02 p.m. roll call

Also present were:

Paul J. Slivinski, Executive Director

Ian D. Fortes, City Auditor-elect

Michael Sacco, Retirement Board Attorney

Kerin Corrigan and her attorney Honey Polner

Greg McNeillie, Retirement Board Investment Consultant

The meeting was called to order. Chairperson Hebert asked for a moment of silence for Peter H. Corr who died 11/30/2021 and was a former retirement board member.

REGULAR BUSINESS:

Minutes – from the October 27, 2021 regular meeting.

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

VOTED: to approve the minutes.

VOTE: 5-0-0

Warrants – #92 thru #100 for 2021.

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

VOTED: to approve the warrants.

VOTE: 5-0-0

New members of the system to date:

- Tara Wilkins, School, Group 1, 9+2%
- Traci Ferreira, School, Group 1, 9+2%
- Nicola Parrotta, TMLP, Group 1, 9+2%
- Kathleen St. Pierre, School, Group 1, 9+2%
- Victoria Carter, Economic & Community Development, Group 1, 9+2%
- Stephan Charbonneau, Fire, Group 4, 9+2%
- Kyle Dexter, Fire, Group 4, 9+2%
- Shannon Tavares, Mayor’s Office, Group 1, 9+2%
- Candace LeMaire, School, Group 1, 9+2%
- Jodi Raposa, Water Dept., Group 1, 9+2%
- Andrew Rys, School, Group 1, 9+2%
- Beth Hawk, Treasurer’s Office, Group 1, 9+2%
- Kristine O’Leary, School, Group 1, 9+2%
- Amber Rose, School, Group 1, 9+2%
- Bernadette, McLaughlin, Group 1, 9+2%

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

VOTED: to approve the new members.

VOTE: 5-0-0

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

- Molly McKenna, School Dept., Group 1, Transfer to MTRS

- Julie Pelletier, School Dept., Group 1, Transfer to MTRS

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

VOTED: to approve the refunds & transfers.

VOTE: 5-0-0

Retirement/survivorship applications:

- Shawn Smith (Police Dept.) Superannuation, Group 4, 11/13/2021
- Michael Krockta (Fire Dept.) Superannuation, Group 4, 01/18/2022
- Elizabeth Correia, School, Superannuation, Group 1, 1/3/22
- Robert S. McDonald, Police, Superannuation, Group 4, 12/31/21
- Michael McDermott, TMLP, Group 4, Superannuation, 1/6/22
- Michael Pappas, Superannuation, Building Dept., Group 1, changed date from 11/19/2021 to 12/11/2021

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

VOTED: to approve the retirements and survivorships.

VOTE: 5-0-0

Deaths

- Virginia Lemaire, DOD 10/29/21, Option C Survivor of Norman. No further benefits are payable.
- Michael Bonenfant, DOD 11/3/21, Superannuation Option C. Option C Survivor benefits payable to surviving spouse Charlene Bonenfant.
- Alfred Morin, DOD 10/28/21, Superannuation Option B. No further benefits payable.

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

VOTED: to acknowledge death and place on file.

VOTE: 5-0-0

Make-up/redeposits and liability for creditable service:

- Valerie Fagan, School, make-up, 11/10/2018-10/16/2021, pt-prorated – 1 yr., 11 mos.

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

VOTED: to approve creditable service upon completion of makeup payments.

VOTE: 5-0-0

PERAC Memo's and correspondence:

- PERAC Memo #30/2021 – Investment Fraud Alert
- PERAC Memo #31/2021 – 2021 Pension Fraud Prevention Campaign

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

VOTED: to receive and place on file.

VOTE: 5-0-0

- PERAC required Fiscal Year 2023 appropriation \$19,563,845.00

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

VOTED: to certify the FY23 appropriation of \$19,563,845.00 and notify the City and member units.

VOTE: 5-0-0

Investments & accounting:

- Accounting reports for m/e 09/30/2021 – Trial Balance, Cash Receipts & Disbursements, and Journal Entries. Bristol County Savings Bank Checking account statement and reconciliation as of m/e 09/30/2021. After full review of all reports, the Board voted as follows:

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

VOTED: to approve accounting reports for m/e 09/30/2021 – Trial Balance, Cash Receipts & Disbursements, and Journal Entries; the Bristol County Savings Bank Checking account statement and reconciliation as of 09/30/2021.

VOTE: 5-0-0

- Investment Purchases (\$19,945,835.72) and Sales \$19,943,889.97 for m/e 09/30/2021.

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

VOTED: to approve the purchases & sales as of 09/30/2021.

VOTE: 5-0-0

Funding & Budget requests:

- Review budget expenditures and account balances thru m/e 10/31/2021.

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

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

VOTE: 5-0-0

Travel, Education & Conferences: There was none.

Legal matters:

- Legal expenses of \$818.00 for m/e 10/31/2021 for Atty. Michael Sacco.

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

VOTED: to approve the legal expenses for m/e 10/31/2021.

VOTE: 5-0-0

Executive Director's report

Ex. Director provided information on the following:

- Retirement of City Auditor/chairperson Ann Marie Hebert was reviewed and the board and staff wished her well in her much deserved retirement. New City Auditor Ian D. Fortes was introduced and welcomed to the board.
- The Board reviewed the need to appoint a Chair and Vice-Chair. After review, the board voted as follows:

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

VOTED: to appoint member Dennis M. Smith as Chairman.

VOTE: 4-0-1

(Member Smith accepted the appointment)

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

VOTED: to appoint member Thomas A. Bernier as Vice-Chairman.

VOTE: 4-0-1

(Member Bernier accepted the appointment)

- Due to change in the board, a new specimen signature listing was signed by all parties for signing warrants & vouchers. Said list will be submitted to the city treasurer/collector.
- The Board reviewed notice from Amity insurance – projected increase for fiduciary liability insurance & fidelity bond. This was primarily due to recent claim filed by a retirement system and also to an increase in corporate actions, securities litigation, and class-action lawsuits.
- The board reviewed a letter from Ex. Director – one-year review of Asst. Director Karen Medeiros who was appointed to the position on 09/14/2020 and one-year review of Admin. Asst. Jessica Gonsalves who was appointed to the position on 11/02/2020. Ex. Director noted that each employee was learning their respective jobs and becoming more proficient by the day. The board instructed the Ex. Director to send a letter of commendation to be placed in their personnel files.
- The Board reviewed information from the Ex. Director on School dept. employee Maria Amaral. Ms. Amaral was placed on workers comp back in July of 2019 and deductions were not withheld from supplemental pay. Then Ms. Amaral came back to work on a regular basis (unknown to the retirement board or treasurer/payroll) and deductions were still not withheld. After a periodic

audit of city payrolls by retirement board staff, this was discovered and Ms. Amaral would owe a makeup payment to the system.

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

VOTED: to send Ms. Amaral a letter informing her of the issue and to begin withholding M/U deductions. Also to send a request to each personnel dept. to obtain a written policy on the administration of workers compensation benefits and how all pertinent dept.'s are usually notified. (*Member Amaral – no relation - requested that the reports be obtained by the February 2022 board meeting for further review*)

VOTE: 5-0-0

- The board re-affirmed the next two board meetings as: regular meeting on 12/22/2021 @ 1:00 pm; special meeting on 12/29/2021 @ 8:30 am.

EXECUTIVE SESSION:

At 1:40 p.m., Chairperson Hebert entertained a motion to go into Executive Session pursuant to M.G.L. c. 30A, s. 21(a)(3) for the purpose of reviewing the medical panel reports on Kerin Corrigan and Lawrence Gantz Jr. The Board noted that it would reconvene in open session following the executive session.

VOTE: 5-0-0

A roll call vote was taken and recorded as follows: Member Amaral “YES”; Member Bernier “YES”; Member Enos “YES”; Member Hebert “YES”; Member Smith “YES”.

(The minutes of the executive session are kept in a separate minute book)

Open Session 2:05 p.m.

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

VOTED: to record the votes that were taken during the executive session in open session.

VOTE: 5-0-0

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

VOTED: to approve accidental disability retirement for Kerin Corrigan subject to final review by PERAC.

VOTE: 5-0-0

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

VOTED: to approve involuntary accidental disability retirement for Lawrence Gantz Jr. subject to final review by PERAC.

VOTE: 5-0-0

Supplementary Regulation update

The Board and Atty. Michael Sacco discussed a proposed supplementary regulation on the definition of full-time service. Also reviewed was School dept. seasonal employees who work from September thru June (normal school year) and if credit should be given for summer months (July & August). Atty. Sacco recommended that this matter be tidied-up to better define how the retirement system will grant creditable service. The board instructed Atty. Sacco to work on a draft supplementary regulation to define full-time as any member working 32.5 hours per week or higher (up to 40). Also the Board asked Atty. Sacco to draft language to define School seasonal employees to read as follows: that 12 months creditable service will be granted for members completing a full school-year (Sept. to June). However if a member resigns before completion of school-year, then service will end on date of resignation based on a 12-month year. If a member resigns at end of school-year in June, the member will still receive the normal 12 months of creditable service UNLESS same member RETIRES at the end of school year in June. In such case, the creditable service for a member retiring at the end of June will end as of the retirement date.

Shawn Smith – retiring police officer

The Board and Atty. Sacco reviewed information pertaining to police officer Shawn Smith who had an off-duty incident. Ex. Director asked if this would implicate officer Smith’s retirement. Atty. Sacco noted that Police officers who are convicted of off-duty crimes will **not** lose their pensions **unless** they used their office or position, or their official equipment (like their service weapon) in the commission of the crime. Atty. Sacco stated that this is not the case for Mr. Smith and that he is fine to retire – as long as he has voluntarily resigned. If the City of Taunton fired him, then he could possibly lose his pension because his firing would be for moral turpitude, arguably.

Investment performance q/e 09/30/2021

Mr. McNeillie presented the board with a report detailing performance as of q/e 09/30/2021. The assets performed +1.1% for the quarter versus the policy index of +1.0% which ranked the plan in the 13th percentile of the investing universe. YTD return was +11.6% vs. policy index of +11.3% (12th percentile). Total assets stood at \$422 mm at 09/30/2021. All managers were reviewed versus their respective benchmarks. Overall, managers are performing within their guidelines.

Wells Fargo Mid-cap value equity

The Board and Mr. McNeillie reviewed a notice from Wells Fargo that they are changing their name and business structure. Mr. McNeillie’s assistant, Kevin Condy, reported the following in an email to the board: *“We currently recommend no changes. Wells Fargo Asset Management was acquired by GTCR and Reverence Capital and immediately changed their name to Allspring Global Investments. This transaction was sought after by Allspring so that they could separate themselves from the current situation at Wells Fargo Bank. Wells Fargo Bank has been repeatedly chastised by regulators for sales misconduct. It should be noted that the asset management side has not been implicated in any way regarding the inquiries. However, these problems had created an overhang and distraction. All investment strategies and teams will be migrated into the new independent asset manager. There will be no changes to either.*

From our perspective (Dahab’s), this is a positive. While many bank-sponsored asset managers perform well, having a complete focus on asset management, relative to being a part of a massive financial institution, may prove to be a pragmatic choice. We will continue to keep a close eye on the situation and are ready with potential replacement options if needed.”

The board placed the matter on file.

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 3:25 p.m.

APPROVED BOARD OF RETIREMENT

Ann Marie Hebert, Ex-Officio, Chairperson

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