

## **Regular Meeting – February 23, 2022**

The Taunton Retirement Board (the “Board”) met at 1:05 p.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, Thomas A. Bernier and Gill E. Enos in attendance.

### **Roll Call**

All members were present at the 1:05 p.m. roll call except member Ian D. Fortes who was absent.

Also present was:

Paul J. Slivinski, Executive Director, in attendance.

Greg McNeillie, investment consultant, Dahab Associates, in attendance.

Kevin Baload, Financial news via Zoom remote.

Chairman Smith opened the meeting noting that the meeting was available remotely via Zoom. This was in accordance with the board’s prior vote to return to hybrid meetings both remotely and in-person. One person from the financial media logged into the meeting – Kevin Baload.

The Board met with consultant Greg McNeillie of Dahab Associates to review investment matters.

### **Investment Performance M/E and Y/E 12/31/2021**

For the quarter, investment performance came in at +5.9% vs. the policy index of +5.9%. For calendar year 2021, assets earned +18.2% vs. policy index +16.1% placing the return in the top decile (3). 3-year return was +17.1%, 5-year was +12.3% and the 10-year was +10.8% - all well above the board’s actuarial benchmark of +7.75%. Mr. McNeillie explained that asset allocation played a large role in the returns, especially excellent returns for small-cap manager Aberdeen Asset Mgmt. and Int’l Value Equity manager Boston Partners – both added good alpha. The board also discussed emerging markets equities in the face of the crisis in Ukraine. Current manager – GAM USA Emerging markets equity fund – has a very small portion of the assets allocated to Russia and they have become very defensive in light of potential war and therefore are underweight Russia. Mr. McNeillie also noted that the board benefited from not being invested in Hedge funds. The board reviewed current investment targets vs. actual allocations. There was a small over-allocation to equities due to market value creep and Mr. McNeillie mentioned these have come down since with January & February equity returns dropping as of late. Overall the board was very pleased with the results.

### **Manager Searches**

Mr. McNeillie provided the board with a list of all asset classes and managers reflecting a schedule of upcoming searches. In 2022, fixed income will reach the seven (7) year max and require a search. The board instructed Mr. McNeillie to provide a draft RFP for fixed income with the goal of starting a search later in 2022.

### **TA Realty**

The board reviewed a notice from TA Realty that we will receive a reduction in management fees for our investment in the TA Realty Core Property Fund.

Ex. Dir. Slivinski informed the board that there is a need to raise cash to fund PRIT capital calls and retiree payroll and that \$4 mm is needed. Mr. McNeillie recommended taking cash from the Mid-cap value equity fund that is currently over-allocated.

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

**VOTED:** to liquidate \$4 mm from Mid-cap value equity manager Allspring (formerly Wells Capital).

**VOTE:** 4-0-0

Chairman Smith invited Asst. Director Karen Medeiros to the meeting and informed the board that he received excellent praise from a member who recently retired on her professionalism and assistance with retirement benefits. The board congratulated Ms. Medeiros on a job well done.

**REGULAR BUSINESS:**

**Minutes** – from the January 26, 2022 regular meeting.

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

**VOTED:** to approve the minutes.

VOTE: 4-0-0

**Warrants** – #10 thru #19 for 2022.

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

**VOTED:** to approve the warrants.

VOTE: 4-0-0

**New members** of the system to date:

- Ashley Laffan, School, Group 1, 9+2%
- Ligia Madeira, Mayor’s Office, Group 1, 9+2%
- Christine Colocousis-Clymens, Treasurer-Collector, Group 1, 9+2%
- Janet Vassar, Taunton Public Schools, Group 1, 9+2%
- Joshua Delutis, Taunton Public Schools, Group 1, 9+2%
- Susan Adams, Taunton Public Schools, Group 1, 9+2%

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

**VOTED:** to approve the new members.

VOTE: 4-0-0

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

- Brandon Burns, TMLP, Group 1, Refund
- Melanie Terrill, Library 04/12/2016 to 01/14/2022, Group 1, Transfer to Plymouth County Retirement. *Taunton will accept 5 years, 8 months of liability under G.L. c.32, section 3(8)c on a 12-month basis.*
- Brooke Galligan, GATRA, Group 1, Refund

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

**VOTED:** to approve the refunds & transfers.

VOTE: 4-0-0

**Retirement/survivorship** applications:

- Maria Amaral, School, Superannuation, Group 1, February 1, 2022
- Cathy Karol, Veterans, Superannuation, Group 1, May 16, 2022
- Brett Baker, TMLP, Superannuation, Group 1, April 6, 2022
- Daisy Delano, Library, Superannuation, Group 1, March 25, 2022

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

**VOTED:** to approve the retirements and survivorships.

VOTE: 4-0-0

**Deaths**

- Anne Kula, DOD: 1/24/22, Opt B and also survivor of Francis J. Kula. All funds are exhausted and there are no further benefits payable.

- Judith Lema, DOD: 1/25/2022, Opt C, ex-spouse Daniel Lema is the beneficiary. She is also Daniel's Opt C. He will pop up to A and receive 2/3<sup>rd</sup>'s of her allowance.
- Ruth Fenton, Opt C survivor of John Fenton, DOD: 1/23/22, no further benefits payable.
- Karin Theriault, Opt B refund to Yvonne O'Brien, DOD: 1/19/2022

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

**VOTED:** to acknowledge deaths and place on file.

VOTE: 4-0-0

**Make-up/redeposits** and liability for creditable service: There was none.

**PERAC** Memo's and correspondence:

- PERAC Memo #8/2022- Actuarial Data

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

**VOTED:** to receive and place on file.

VOTE: 4-0-0

**Investments** & accounting:

- Accounting reports for m/e 12/31/2021 – (before & after-closing) Trial Balance, Cash Receipts & Disbursements, and Journal Entries. Bristol County Savings Bank Checking account statement and reconciliation as of m/e 12/31/2021. After full review of all reports, the Board voted as follows:

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

**VOTED:** to approve accounting reports for m/e 12/31/2021 – Trial Balance, Cash Receipts & Disbursements, and Journal Entries and the Bristol County Savings Bank Checking account statement and reconciliation as of 12/31/2021.

VOTE: 4-0-0

- Investment Purchases (\$17,932,048.00) and Sales \$17,932,048.00 for m/e 12/31/2021.

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

**VOTED:** to approve the purchases & sales as of 12/31/2021.

VOTE: 4-0-0

**Funding & Budget requests:**

- Review budget expenditures and account balances thru m/e 01/31/2022.

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

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

VOTE: 4-0-0

**Travel, Education** & Conferences:

- NCPERS Annual Conference & Exhibition May 22-25, 2022, Washington, D.C.

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

**VOTED:** to authorize any board members and staff wishing to attend and place on file.

VOTE: 4-0-0

**Legal** matters:

- Review legal expenses of \$3,320.00 for m/e 01/31/2022 for Atty. Michael Sacco.

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

**VOTED:** to approve the legal expenses for m/e 01/31/2022.

VOTE: 4-0-0

- Legal analysis – Worcester Regional Retirement Board v. PERAC (Vernava case). Previously, the board followed Atty. Sacco's recommendation that supplemental pay taken during workers

compensation was not regular compensation and approved a policy to NOT withhold retirement deductions. This has been vindicated with this recent decision. Ex. Director Slivinski informed the Board that written policies were obtained from the city and member units to confirm adherence to the policy.

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

**VOTED:** to receive and place on file and maintain the current policy.

VOTE: 4-0-0

### **Executive Director's report**

- Annual Statement of the Financial Condition of the Taunton Retirement System for year-ended 12/31/2021. Ex. Director Slivinski gave a detailed presentation of the annual report. After review and discussion, the board voted as follows:

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

**VOTED:** to approve the Annual Statement for Y/E 12/31/2021.

VOTE: 4-0-0

- Update – Buck Consultants actuarial services approved by PERAC and contract under review. Ex. Director explained that the contract should be finished soon and will have Chairman Smith sign once complete.
- Ann Marie Hebert – plaque presentation scheduled for March 1st – all board members and staff invited to attend.
- Pictures for board members & staff for website and newsletters – Chairman Smith explained that he was able to have pictures taken at no charge and will schedule a date soon.
- Asst. Director Karen Medeiros – will be out of the office Feb. 28<sup>th</sup> for surgery and should return within a day or two.
- New Treasurer Christine Colocousis-Clymens. Ex. Director explained that Ms. Clymens is the new custodian of the system's checking account and a stipend is paid for this position. After review and discussion, the board voted as follows:

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

**VOTED:** to set the stipend at \$3,000/year for Ms. Clymens.

VOTE: 4-0-0

- Cyber security – Ex. Director informed the board that he will be attending a seminar on Monday, Feb. 28<sup>th</sup> by PERAC on Cyber security issues and will let the board know of any important developments. Currently, software provider Pension Technology Group and the City of Taunton IT system have appropriate security procedures in place. Ex. Director also noted that all investment managers were recently contacted and confirmed appropriate protocols for investing and divesting funds.

### **EXECUTIVE SESSION:**

At 2:38 p.m., Chairman Smith entertained a motion to go into Executive Session pursuant to M.G.L. c. 30A, s. 21(a)(3) for the purpose of negotiating contracts for retirement staff. The Board noted that it would reconvene in open session following the executive session.

VOTE: 4-0-0

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

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

### **Open Session 3:55 p.m.**

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

**VOTED:** to publicly state that there were no motions taken in executive session.  
**VOTE:** 4-0-0

**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 3:55 p.m.

APPROVED BOARD OF RETIREMENT

Absent  
Ian D. Fortes, Ex-Officio Member

Paul J. Slivinski, Executive Director

Dennis M. Smith, Elected Member, Chair

Barry J. Amaral, Appointed Member

Thomas A. Bernier, Elected Member

Gill E. Enos, Appointed Member