Regular Meeting – February 24, 2021

The Taunton Retirement Board (the "Board") met at 1:06 p.m. today at the retirement board offices, 104 Dean St., Suite 203, Taunton, MA with Vice-Chair Dennis M. Smith presiding with member Thomas A. Bernier in attendance. Also remotely participating were board members Barry J. Amaral and Gill E. Enos. Member Ann Marie Hebert was connected via zoom later in the meeting.

Roll Call
All members were present at the 1:06 p.m. roll call.
Also present was:
Paul J. Slivinski, Executive Director

With a quorum present, Vice-Chair Smith called the meeting to order. The Vice-Chair noted for all that, due to the Governor's current state of emergency declared for the COVID-19 pandemic, it has been determined that remote participation is permissible for those that choose to teleconference.

Regular Business:
Minutes – from the January 27, 2021 regular meeting and the February 9, 2021 special meeting with executive session.
On the motion by Bernier, seconded by Enos, it was unanimously

VOTED: to approve the minutes.
VOTE: 4-0-0

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

Warrants – #8 thru #16 for 2021.
On the motion by Bernier, seconded by Enos, it was unanimously

VOTED: to approve the warrants.
VOTE: 4-0-0

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

New members of the system to date:

- Ryan Olson, TMLP, Group 4, 9+2%
- Kyla Frates, School, Group 1, 9+2%
- Kasey Pilling, School, Group 1, 9+2%
- Bruce McMullin, GATRA, Group 1, 9+2%
- Patrick Kiernan, Police, Group 4, 9+2%
- Zachary Bowden, Police Group 4, 9+2%
- William Bernard, School, Group 1, 9+2%
- Toni Graca, School, Group 1, 9+2%
- Dwight McCombe, Jr., TMLP, Group 4, 9+2%
- Laine Fitzpatrick, School, Group 1, 9+2%
- Amna Farahat, School, Group 1, 9+2%

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

VOTED: to approve the new members.
VOTE: 4-0-0

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

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

- Oona Patterson, Refund, TNH
- Tricia Gordon, School, transfer to Mass Teachers' Retirement, *Service with Taunton - 11 months*
- Ryan Blanchard, School, transfer to Bristol County Retirement, *Service with Taunton – 7 years, 7 months*
- Teri Gilbert, School, Refund

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

VOTED: to approve the refunds & transfers.

VOTE: 4-0-0

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

Retirement/survivorship applications:

- Marie Pawlowski (School) Superannuation, Group 1, 02/16/2021
- Debra Terra, (DPW), Superannuation, Group 1, 3/6/2021
- Noreen Barbrick, (HR), Superannuation, Group 1, 5/28/2021
- Aaron Gilbert, (Fire), Superannuation, Group 4, 2/27/2021
- Michelle Furtado, survivor of Nathan Furtado (TMLP), Group 4, DOD 2/20/2021, Option D survivorship pending the process for ordinary disability retirement.

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

VOTED: to approve the retirement and survivorships.

VOTE: 4-0-0

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

Deaths

- Michael Hagopian (TMLP) Accidental disability - DOD 01/31/2021 – Option B refund payable
- Nathan Furtado (TMLP) DOD 2/20/2021 – active member death. Surviving spouse eligible for survivor benefits under G.L. c. 32, section 12(2)d.

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

VOTED: to acknowledge deaths and place on file.

VOTE: 4-0-0

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

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

PERAC Memo's and correspondence:

- PERAC Memo 8/2021 – Required Min. Distribution – Now Age 72
- PERAC Memo 9/2021 – Actuarial Data
- PERAC Memo 10/2021 – Forfeiture of Retirement Allowance for Dereliction of Duty by Members

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

VOTED: to receive and place on file all memo's.

VOTE: 4-0-0

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

Investments & accounting:

- Accounting reports for m/e 12/31/2020 –Pre-closing & After-closing Trial Balance, Cash Receipts & Disbursements, and Journal Entries. Bristol County Savings Bank Checking account statement and reconciliation as of m/e 12/31/2020.

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 12/31/2020 – Pre & Post-Closing Trial Balance, Cash Receipts & Disbursements, and Journal Entries and the Bristol County Savings Bank Checking account statement and reconciliation as of 12/31/2020.
> VOTE: 4-0-0

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

- Investments Purchased ($51,572,330.43) and Sold $51,571,850.43 for m/e 12/31/2020.

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

> **VOTED:** to approve the purchases & sales for m/e 12/31/2020.
> VOTE: 4-0-0

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

Funding & Budget requests: There were none.

Travel, Education & Conferences: There were none.

Legal matters:

- The Board reviewed legal expenses of $4,349.00 for m/e 01/31/2021 for Atty. Michael Sacco.

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

> **VOTED:** to approve the legal expenses for m/e 01/31/2021.
> VOTE: 4-0-0

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

Executive Director's report

- Asst. Director Karen Medeiros – FMLA form for upcoming surgery
- Asst. Director Karen Medeiros – remote work for the month of March 2021.

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

> **VOTED:** to accept FMLA info and March 2021 remote work schedule for Karen Medeiros.
> VOTE: 4-0-0

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

- Annual Report for the Financial Condition of the retirement system as of December 31, 2020.

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

> **VOTED:** to approve the Annual Statement as of 12/31/2020.
> VOTE: 4-0-0

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

- Elected / Appointed officials – post-retirement earnings. Ex. Director explained that new retirees Manuel Spencer Jr. (planning board elected official & police officer) and Thomas Bernier (retirement board member & fire lieutenant) recently retired and the issue came up regarding the receipt of their respective board stipends. A legal opinion from Atty. Sacco was reviewed. Atty. Sacco also contacted PERAC Ex. Director John Parsons. After their discussion, it was agreed that, based on a recent 2018 appeals case, that Mr. Spencer & Mr. Bernier can continue to receive their stipends post-retirement and not have to "waive" the stipends for the remainder of their respective terms. This is now policy for all elected officials but must be measured against G.L. c. 32 section 91 for limits on hours worked and allowable earnings.

- Freedom of Information Request – Ex. Director informed the board of a FOIA request for retiree information from Massachusetts @ openthebooks.com. Ex. Director checked with Atty. Sacco who opined that this indeed is public information and must be submitted.

EXECUTIVE SESSION: There were none.

OLD BUSINESS: There were none.

NEW BUSINESS: There were none.

Member Hebert joined the meeting via Zoom and became Chair for the meeting.

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

Performance evaluation report as of 12/31/2020

Mr. McNeillie presented the board with a report detailing performance as of q/e 12/31/2020. The assets performed +11.7% for the year 2020 versus the policy index of +11.2% which ranked the plan in the 55th percentile of the investing universe. The 3-year return was +9.2% and the 5-year return was +10.1% - all above the system's actuarial benchmark target of +7.75%. Total assets stood at $384 mm at 12/31/2020. Overall, most managers performed well. There was some underperformance in the mid & large-cap growth equity portion due to the fact the growth-style was historically very high for the year. Real assets & bond managers did well and Private equity had poor performance for some of the remaining funds that are winding down namely Blackrock, Boston Millennia Partners II & Invesco Partnership Fund IV. The board previously committed to investing in private equity via the state's PRIT fund which has done very well. This should bode well for the portfolio in the future once the plan gets up to the previously-approved 5% allocation. This will be accomplished over a number of vintage years.

Wells Fargo – mid-cap value equity CIT

The Board and Mr. McNeillie reviewed a notice from Wells Fargo Asset Mgmt. (WFAM) dated 2/23/2021 stating that an acquisition has been made of the asset management division of WFAM by GTCR LLC and Reverence Capital Partners, LP and that Wells Fargo will retain a 9.9% equity interest and continue to serve as an important client and distribution partner.

Mr. McNeillie explained that there appears to be no change in investment management of the mid-cap value equity CIT and that current managers are to remain in place. Mr. McNeillie noted that Dahab Associates is currently doing a thorough examination of this matter and will communicate directly with Wells Fargo. Dahab will issue a position paper on this matter in the near future for all clients.

Investment Policy Statement update

Mr. McNeillie informed the board that he will send an updated investment policy statement for the board's review and approval.

Other investment matters:
The Board discussed concerns about the recent run-up in the equity markets and the possibility of inflation in the economy etc. Mr. McNeillie recommended the board re-balance some of the assets by trimming some equity positions and reinvesting in real assets such as Ceres Farms (agriculture) and TA Realty (real estate). After review and discussion, the board voted as follows:
On the motion by Smith, seconded by Bernier, it was unanimously

> **VOTED:** to approve reallocating assets into Ceres Farms for $2 mm and into TA Realty for $5 mm. Since these funds have queues, it may take a few months. The determination of where these funds will come from will be determined at the time of investment.
> VOTE: 5-0-0

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

There being no further business to come before the board, it was voted to adjourn at 1:45 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