

Regular Meeting – February 28, 2018

The Taunton Retirement Board (the “Board”) met at 12:03 p.m. today at 104 Dean Street, Suite 203, Taunton, MA with Chairperson Ann Marie Hebert presiding and board members Gill E. Enos, Dennis M. Smith, Peter H. Corr, and Barry J. Amaral in attendance.

Roll Call

All members were present at the 12:03 p.m. roll call.

Also present were:

Paul J. Slivinski, Executive Director

Atty. Michael Sacco, Counsel to the Board

Greg McNeillie, Dahab Associates, Investment Consultant

Atty. Judith Gray, counsel for O. Chaves & I. Correia

Olga Chaves, ADR applicant

Isabel Correia, ADR applicant

Dawn Rabbitt, Dunn Reporting Co. (stenographer)

Michelle Mercado, Nursing Home Director

Heidi Paquin, Nursing Home Dir. of Nursing

Lynn Davine, H.R. Director

John Forelli & William Supple of Boston Partners

James Wallerius & Eoin Middaugh of Systematic Investment Mgmt.

Travis Miley & Kristina O’Gannon of Wellington

Bram Zeigler & Scott Draper of Algert

Tom Capobianco & Gordon Johnson of LMCG

Jason Moore & Ryan Donovan of Numeric

EXECUTIVE SESSION:

At 12:03 p.m., Chairperson Hebert entertained a motion by Amaral, seconded by Smith to go into Executive Session pursuant to M.G.L. c. 30A, s. 21(a)(3) to review the Accidental disability retirement applications of Isabel Correia and the medical panel reports on Olga Chaves. 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 Corr “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 12:48 p.m.

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

VOTED: to record votes from executive session in open session.

VOTE: 5-0-0

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

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VOTED: to deny the Accidental Disability retirement application of Olga Chaves and provide notice of the right to appeal.

VOTE: 5-0-0

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

VOTED: to accept the application for Accidental disability retirement of Isabel Correia and request PERAC to convene a medical panel.

VOTE: 5-0-0

REGULAR BUSINESS:

Minutes – from the January 24, 2018 regular meeting and January 31, 2018 special meeting.

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

VOTED: to approve the minutes.

VOTE: 5-0-0

Warrants – #8 to #16 for 2018.

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

VOTED: to approve the warrants.

VOTE: 5-0-0

New members of the system to date:

- Kimberly Barboza, School, Group 1, 9+2%
- Dina Moreira, School, Group 1, 9+2%
- Iolanda Lima, School, Group 1, 9+2%
- Helen McGrath, TNH, Group 1, 9+2%
- Theresa Norton, TNH, Group 1, 9+2%
- Annette Garnett, THH, Group 1, 9+2%
- Sheila Pizarro, TNH, Group 1, 9+2%
- Joseph Silva, DPW – Water, Group 1, 9+2%
- Kirstin Dawson, School, Group 1, 9+2%
- Carmen Martinez (Sojo), School, Group 1, 9+2%
- Angela Fernandes, TNH, Group 1, 9+2%

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

VOTED: to approve the new members.

VOTE: 5-0-0

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

- Kimberly Mugimu (School) transfer to State Board of Retirement
- Timothy Reid (Library)
- Christian Hopp (TMLP) transfer to IRA

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

VOTED: to approve the refunds & transfers.

VOTE: 5-0-0

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Retirement/survivorship applications:

- Chad A. Larivee (Fire Dept.) Ordinary Disability, Group 4, 01/24/2018
- Manuel Ribeiro, (School), Superannuation, Group 1, 2/16/2018
- Helen Dukacz-Evans, (TNH), Superannuation, Group 1, 2/18/2018

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

VOTED: to approve the retirements.

VOTE: 5-0-0

Deaths

- Margaret Coulombe (TMLP) deceased 2/21/18, Option C survivorship to Jean Thomas Coulombe.
- Barbara Burton (School) deceased 1/7/18 – Option A – no further benefits payable.
- Leonard Rocha (TMLP) deceased 1/14/18, Option C survivorship to Eva Rocha.

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

VOTED: to acknowledge deaths and place on file.

VOTE: 5-0-0

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

PERAC Memo's and correspondence:

- PERAC Memo #6/2018 – Buyback and Make-up Repayment Worksheets
- PERAC Memo #7/2018 – NCPERS 2018 State and Federal Legislation Webcast – Three Credits
- PERAC Memo #8/2018 – 840 CMR 10:10(3) & 10:15(4) – Annual Review of Medical Testing Fee
- PERAC Memo #9/2018 – Actuarial Data
- PERAC Memo #10/2018 – 2018 Interest rate set at 0.1%
- PERAC Memo #11/2018 – Investment Related Issues and Concerns
- PERAC Memo #12/2018 – PERAC vs. CRAB and others; SJC No. 12331 (Feb. 13, 2018)
- PERAC Memo #13/2018 – Mandatory Ethics Training

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

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

VOTE: 5-0-0

Investments & accounting:

- Bristol County Savings Bank Checking account statement and reconciliation as of 12/31/2017.

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

VOTED: to approve the bank statement reconciliation.

VOTE: 5-0-0

- Investments Purchased (\$9,008,421.09) & Sold \$9,008,415.59 for m/e 12/31/2017.

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

VOTED: to approve the purchases and sales.

VOTE: 5-0-0

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Funding & Budget requests: There were none.

Travel, Education & Conferences:

- The Board reviewed tuition & fee reimbursement for Karen Medeiros for MBA class- Organizational Effectiveness for \$2,579.38 – final grade 98.04%.

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

VOTED: to approve tuition reimbursement and congratulate Ms. Medeiros on good grades.

VOTE: 5-0-0

- The Board reviewed appointment of delegates to the NCPERS conference.

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

VOTED: to appoint board members Hebert and Enos as delegates and member Smith as alternate.

VOTE: 5-0-0

Legal matters:

- The Board reviewed legal expenses of \$8,938.00 for m/e 01/31/2018 for Atty. Michael Sacco.

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

VOTED: to approve the legal expense.

VOTE: 5-0-0

- DALA decision – Jeffrey Arruda v. Taunton Retirement Board, CR-14-47

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

VOTED: to receive and place on file.

VOTE: 5-0-0

- Recent legal decisions memo

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

VOTED: to receive and place on file.

VOTE: 5-0-0

Executive Director's report:

- Harper's payroll and retirement deduction update. There have been some coding errors in the Fire dept. and these have been corrected by the treasurer's office.
- SFI's for board members-reminder that these are due by May 1st.
- Conflict of Interest/Ethics certificates – board members were reminded that they are due soon.
- Open Meeting Law acknowledgements-board members reviewed open meeting law and signed acknowledgements.
- ADA update requested by Municipal Council-the City is requesting a chronology of expenditures undertaken to upgrade offices under the ADA and would like a report.
- Diane Lema-request to reinstate retirement under section 90B.

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

VOTED: to approve Ms. Lema's request and reinstate effective 03/09/2018.

VOTE: 5-0-0

- Older Lenovo tablets (6) that were replaced by Ipads. IT dept. has requested obtaining old tablets.

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

VOTED: to donate the six Lenovo tablets to the IT Dept. (*the IT dept. provides IT services at no cost to the retirement system and the board feels this is a proper reimbursement for such services*)

VOTE: 5-0-0

OLD BUSINESS:

- The Board reviewed COLA increase from 2.0% up to 3% pursuant to G.L. c. 32, s. 103(i). This was posted with the city at least 30 days. The funding for this increase is already built into the system's funding schedule and is economically feasible as the assets returned over 16% in 2017.

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

VOTED: to increase the COLA to the maximum 3% on the first \$15,000 effective July 1, 2018.

VOTE: 5-0-0

- The Board reviewed applicants for the Fifth Member/board appointee of the retirement board. Two applicants filed by the deadline – incumbent Barry J. Amaral and Barbara A. Costa. After review of the applications/resumes, the Board voted as follows:

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

VOTED: to re-appoint Barry Amaral as the fifth member for a term of 02/28/2018 to

02/27/2021.

Chairperson Hebert called for a Roll Call vote as follows:

Member Amaral “voting present”; Member Corr “Amaral”; Member Enos “Amaral”; Member Hebert “Amaral”; and Member Smith “Amaral”

VOTE: 5-0-0

- The Board discussed the appointment of Chairperson and Vice-Chairperson to the retirement board. After review and discussion, the Board voted as follows:

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

VOTED: to re-appoint Member Hebert as Chair and Member Smith as Vice-Chair.

VOTE: 5-0-0

- Ex. Director discussed Hazmat training pay (Firefighter Robert Rooney). PERAC legal dept. emailed a note that compensation received for “attending” a training session is not considered regular compensation. Mr. Rooney receives a stipend as Hazmat officer for the city and this is pensionable but compensation to attend periodic training sessions is not pensionable.

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

VOTED: to receive and place on file.

VOTE: 5-0-0

NEW BUSINESS:

- The Board reviewed RFP's received for Retirement System legal services. As of the deadline, two firms submitted an RFP – Incumbent - Laws Offices of Michael Sacco and the firm of Murphy, Hesse, Toomey & Lehane. After review and discussion, the Board voted as follows:

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

VOTED: to schedule interviews for the March 28th meeting.

VOTE: 5-0-0

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Interviews – International Equity Investment Management Services – Small-cap and Value

The Board and Mr. McNeillie met to conduct interviews for Intl Value Equity with the firms **Boston Partners, Systematic Financial, and Wellington Asset Mgmt.** Also for Intl Small-cap Equity with the firms **Algert, LMCG, and Numeric.**

International Value Equity Investment Management Services

The Board listened to in-depth presentations on each firm’s makeup and structure, biographies, investment process & philosophy, performance, risk management, fees, etc. After all questions were answered and each firm was excused, the Board voted as follows:

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

VOTED: to select Systematic Financial Mgmt. to manage an International Value Equity Fund.
The Chair asked for a roll call.

Member Amaral “Systematic”; Member Corr “Systematic”; Member Enos “Systematic”;
Member Hebert “Systematic”; and Member Smith “Systematic”

International Small-Cap Equity Investment Management Services

The Board listened to in-depth presentations on each firm’s makeup and structure, biographies, investment process & philosophy, performance, risk management, fees, etc. After all questions were answered and each firm was excused, the Board voted as follows:

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

VOTED: to select LMCG to manage an International Small-Cap Equity Fund.
The Chair asked for a roll call.

Member Amaral “LMCG”; Member Corr “LMCG”; Member Enos “LMCG”; Member Hebert
“LMCG”; and Member Smith “LMCG”

Investment Performance q/e 12/31/2017

The Board and Mr. McNeillie reviewed Investment Performance for q/e 12/31/2017. The assets returned +16.1% for 2017 versus the Policy Index +16.2%. All managers were performing within their guidelines and benchmarks.

The Board reviewed an email dated 2/7/18 from Chris Premock of Frontier Capital, Client service rep., that he is leaving and Leigh Anne Yoo and Sarah Jankowski replaces him. The Board placed on file.

The Board reviewed a notice of administration change with Frontier Capital dated 2/15/18: Effective 3/31/18, Northeast Retirement Services LLC will become administrator and transfer agent for all Frontier partnerships. The Board placed on file.

The Board reviewed a letter dated 2/22/18 from Invesco Partnership Fund IV, L.P. – retirement of Phil Shaw and consent to assign his duties to new personnel. The Board received and placed on file.

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The Board and Mr. McNeillie discussed the new Int’l Emerging Markets manager GAM and that the present manager – Glovista Investments – will be replaced by GAM. After discussion, the Board voted as follows:

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

VOTED: to terminate Glovista Investments pending approval/acknowledgement of GAM by PERAC and pending execution of GAM’s contract. (*termination date to coincide with beginning of services with GAM and transition of assets*)

VOTE: 5-0-0

There being no further business to come before the Board, it was voted to adjourn at 4:45 p.m.

APPROVED BOARD OF RETIREMENT

Ann Marie Hebert, Ex-Officio, Chairperson

Paul J. Slivinski, Executive Director

Dennis Smith, Elected Member

Barry Amaral, Appointed Member

Peter H. Corr, Elected Member

Gill E. Enos, Appointed Member