

Regular Meeting – March 27, 2024

The Taunton Retirement Board (the “Board”) met at 1:00 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 were in attendance in person. Ian D. Fortes and Gill E. Enos were in attendance via Zoom.

Roll Call

All members were present at the 1:00 p.m. roll call.

Also present were:

Paul J. Slivinski, Executive Director

Karen Medeiros, Assistant Executive Director

Kevin Condy of Dahab Associates

Attorney Michael Sacco, Sacco & Collins

Police Chief Ed Walsh

Amy Kazlauskas, HR Director

Jessica Basaillon, Dunn Reporting

The Board met with Kevin Condy to review the following:

- Investment Policy Statement- The Board voted to formally adopt the updated Investment Policy Statement (IPS). The revised version of the IPS incorporates the addition of recently approved investment managers (Blue Ocean and Constitution), updates the projected investment return assumption, and removes managers who have been terminated or whose funds have concluded their final distribution. All of which will be sent to PERAC for final approval.

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

VOTED: to formally adopt the updated IPS.

VOTE: 5-0-0

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

- 7-year expiration in 2024 for Small-cap core equity, Various Index funds, and custodian. The Board reviewed draft RFP’s for each for upcoming searches.

Dahab presented proposals for three Request for Proposals (RFPs) encompassing small cap investment management, passive investment strategies, and custodial services. All three RFPs received approval from the board. The due dates for the RFP will be May 31st. All three are state mandated rebids under Chapter 32, 23-b

- Responses received for RFP’s for mid-cap value equity & mid-cap growth equity. The Board reviewed rankings to determine if any interviews are necessary.

Upon evaluation of the plan’s Mid Cap Value management, Allspring was deemed to continue to provide highly advantageous management and was recommended for retention. Conversely, the current Mid Cap Growth manager, Frontier, did not meet the advantageous criteria. It was recommended to the board to proceed to final presentations with Davenport, Federated, and Fiera for the Mid Cap Growth mandate. The final presentations will take place May 29, 2024.

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

VOTED: to retain Mid Cap Value Manager, Allspring and proceed to final presentations with Davenport, Federated and Fiera for the Mid Cap Growth on May 29, 2024.

VOTE: 5-0-0

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

- Vontobel International Equity Fund – reorg from private fund to mutual fund, mgmt. fees reduced .65 bpts to .60 bpts, liquidity changed from monthly to daily, and Vontobel to now pay all operating expenses.

The board reviewed the proposal by Vontobel to transition its investment vehicle from a commingled fund to a mutual fund. This change is considered highly advantageous for several reasons, including enhanced liquidity and reduced fees compared to the current Collective Investment Trust (CIT). Importantly, the transition does not affect the management team or strategy, maintaining continuity in investment approach. Dahab recommended no change, the board agreed.

- Investment Performance for m/e & y/e 12/31/2023 and forecast of Q1-2024 performance-to-date.

Q4 2023 - Quarterly Performance Review:

The fourth quarter of 2023 was, overall, a success, with the plan achieving a 7.6% return and 12% for 2023, closely approaching its assumed quarterly return target. Notably, after accounting for disbursements, the plan's assets grew by approximately \$25 million. Most managers continue to add value, since inception. Polen and GAM have shown promising performance improvements, indicating a potential turnaround. They continue to be watched. GAM is up for rebid in 2025.

Q1 2024 Market Outlook:

It was noted that the only asset class currently outside its targeted allocation range is small cap, which continues to trade at a discount relative to larger market counterparts. Projections for the first quarter suggest a return exceeding 3.5%, amidst a backdrop of surging equity markets and relatively stagnant fixed income markets. Yields have increased across the curve, with longer-dated maturities most affected. Inflation remains a concern, with the Federal Reserve's outlook on short-term interest rate cuts being less aggressive than previously anticipated at the end of 2023.

Mr. Condy exited the board meeting at 1:18pm

REGULAR BUSINESS:

Minutes – from the February 28, 2024 regular & executive session meeting.

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

VOTED: to approve the minutes.

VOTE: 5-0-0

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

Warrants – #18 thru #25 for 2024.

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

VOTED: to approve the warrants.

VOTE: 5-0-0

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

New members of the system to date:

- Michael Bonaventura, Building Department, Group 2, 9+2%
- Jesse Allsopp, Building and Maintenance, Group 1, 9+2%
- Marie Mardy, Taunton Public Schools, Group 1, 9+2%
- Ana Grant, Taunton Housing Authority, Group 1, 9+2%
- Audrey Grubb, Taunton Public School, Group 1, 9+2%
- Delicia Worrell, Taunton Public School, Group 1, 9+2%

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

VOTED: to approve the new members.

VOTE: 5-0-0

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

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

- Dylan Doherty, Nursing Home, Refund, 06/27/2018 to 10/23/18
- Suzanne Caramelo, School, , 4/22/2019 to 1/26/2022, Transfer to MTRS, *Taunton will accept 2 years and 9 months of liability under G.L. c. 32, section 3(8)c on a 12-month basis.*
- Simone DeSousa, School, 9/27/2023 to 12/1/2023, Transfer to State, *Taunton will accept 2 months of liability under G.L. c. 32, section 3(8)c on a 12-month basis.*

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

VOTED: to approve all of the refunds/transfers.

VOTE: 5-0-0

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

Retirement/survivorship applications:

- Karen Anthony, GATRA, Group 1, Superannuation, DOR: 6/1/24 *THA not GATRA
- Deborah Biancuzzo, School, Group 1, Superannuation, DOR: 6/30/24

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

VOTED: to approve retirements/survivorships

VOTE: 5-0-0

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

Deaths

- Michael Downey, DOD 02/05/2024, Superannuation Opt B, Overpayment due is \$1,814.48
- August Pimental, DOD 03/10/2024, Accidental Disability Opt B, No further money to be paid.

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

VOTED: to acknowledge deaths and place on file.

VOTE: 5-0-0

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

Make-up/redeposits and liability for creditable service:

- Brianna Rodier (Muller) formerly of the TMLP now a member of Attleboro Retirement System. Worked for TMLP part-time 09/2022 to 09/2023 and was not eligible to join Taunton’s system (paid into OBRA). DENY liability for service as she was never eligible to become a member of the Taunton system.

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

VOTED: to DENY Ms. Rodier liability for service as she was never eligible to become a member of the Taunton system.

VOTE: 5-0-0

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

- Jessica Vasquez (GATRA) former member of Taunton and now enrolled at State Retire System. Non-membership service 09/14/2001 to 11/30/2001 – 2 months. (became a member in Taunton 12/1/2001)
- Lori Laffan, School, part time pro-rated, make up, 12/19/2020 to 12/30/2023, 2yrs, 2 mos, 16 days

On the motion by Amaral, seconded by Bernier, it was unanimously
VOTED: to approve liability for service upon proper makeup payment.
VOTE: 5-0-0

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

PERAC Memo’s and correspondence:

- PERAC Audit report for 2017 thru 2020

On the motion by Amaral, seconded by Bernier, it was unanimously
VOTED: to receive and place on file, with the addition of a letter to go in staffs personnel files commending exemplary work.
VOTE: 5-0-0

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

- PERAC Vendor disclosure forms-2023. Each board member to review in PROSPER and confirm.
- Memo #10/2024 – Tobacco Company List

On the motion by Amaral, seconded by Bernier, it was unanimously
VOTED: to place all memo’s and correspondence on file.
VOTE: 5-0-0

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

Investments & accounting:

- Accounting reports for m/e 12/31/2023 (After-closing) Trial Balance. Also m/e 01/31/2024 – Trial Balance, Cash Receipts & Disbursements, Journal Entries and General Ledger. Bristol County Savings Bank Checking account statement and reconciliation as of m/e 01/31/2024. After full review of all reports, the Board voted as follows:

On the motion by Bernier, seconded by Amaral, it was unanimously
VOTED: to approve the Bristol County Savings Bank Checking account statement and reconciliation as of 12/31/2023 and all accounting reports for m/e 1/31/24.
VOTE: 5-0-0

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

- Investment Purchases (\$5,589,283.58) and Sales \$5,589,283.58 for m/e 1/31/2024.

On the motion by Bernier, seconded by Amaral, it was unanimously
VOTED: to approve the purchases & sales as of 1/31/2024.
VOTE: 5-0-0

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

- City of Taunton FY24 Pension Appropriation \$4,850,198.75 and Military Fund Appropriation \$14,388.30 (Juan X. Valencia). Vote needed to place in money market account with M&T Bank

On the motion by Bernier, seconded by Amaral, it was unanimously
VOTED: to place the money in a money market account with M&T Bank.
VOTE: 5-0-0

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

Funding & Budget requests:

- Review budget expenditures and account balances thru m/e 02/29/2024.

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

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

VOTE: 5-0-0

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

Travel, Education & Conferences:

There was none

Legal matters:

- The Board reviewed legal expenses of \$696.87 for m/e 03/31/2024 for Atty. Michael Sacco.

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

VOTED: to approve the legal expenses for m/e 03/31/2024.

VOTE: 5-0-0

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

- Client memo on recent decision – Military Service and Substitute Teaching Service FYI- updated by Attorney Sacco on the Military service. Still waiting on a decision and to continue with current practice. Substitute teacher service- Per the board’s request, Attorney Sacco will draft a regulation for the board to review/adopt regarding substitute teacher service not being eligible for purchase thru Taunton Retirement.
- Domestic Relations Order (DRO) – Robert Penagos (Housing Authority) v. Jacqueline Rohan – certified by court on 02/21/2024.

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

VOTED: to approve the Robert Penagos v. Jacqueline Rohan DRO certified by court on 2/21/24

VOTE: 5-0-0

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

- Opinion letter dated 3/13/24 – Constitution Capital Partners Ironsides Opportunities Fund II, L.P. The Board placed on file.

Executive Director’s report

- 2023 Annual Statement for the Financial Condition of the Taunton Retirement System due May 1, 2024 – FYI- Approx \$40 mm in excess earnings.

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

- **VOTED:** to approve 2023 Annual Statement for the Financial Condition of the Taunton Retirement System due May 1, 2024.

VOTE: 5-0-0

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

- Lease renewal update – Waterfront Realty Trust (*lease to expire 03/01/2025*) FYI- Don Emond will be invited to the April meeting to discuss this further.
- PTG software vs Bay State Pension Solutions – update – will table for 1 month
- Reminder – Statement of Financial Interests (SFI) due by 05/01/2024.
- Reminder – check PROSPER for educational credits needed for each board member

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

VOTED: to accept the Executive Director's report

VOTE: 5-0-0

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

EXECUTIVE SESSION:

At 1:20 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 reviewing the Involuntary ADR application of Police Chief Ed Walsh on Daniel Williams-review medical panel reports and the voluntary ADR application from Scott Wentworth (Fire department). 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 Fortes "YES", 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 returned at 1:47pm.

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

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

VOTE: 5-0-0

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

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

VOTED: to approve Daniel Williams' Involuntary Accidental Disability .

VOTE: 5-0-0

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

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

VOTED: to send Scott Wentworth to a medical panel for an evaluation.

VOTE: 5-0-0

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

OLD BUSINESS:

NEW BUSINESS:

There being no further business to come before the Board, it was voted to adjourn at 2:30 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. Ex. Director