

Regular Meeting – April 25, 2018

The Taunton Retirement Board (the “Board”) met at 1:00 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 1:00 p.m. roll call.

Also present were:

Paul J. Slivinski, Executive Director

Atty. Michael Sacco, Counsel to the Board

Bernadette Cabral and her spouse John Cabral

Atty. James Meehan, counsel for Ms. Cabral

REGULAR BUSINESS:

Minutes –from the March 28, 2018 regular meeting and executive session.

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

VOTED: to approve the minutes.

VOTE: 5-0-0

Warrants –#26 to #33 for 2018.

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

VOTED: to approve the warrants.

VOTE: 5-0-0

New members of the system to date:

- Randy Moitoza, Park and Rec, Group 1, 9+2%
- Joshua Gomes, School, Group 1, 9+2%
- Christopher October, TMLP, Group 1, 9+2%
- Lindsey Centrella, Library, Group 1, 9+2%
- Manny Reis, School, Group 1, 9+2%
- Lida Him, TMLP, Group 1, 9+2%

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

VOTED: to approve the new members.

VOTE: 5-0-0

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

- Janet Andrade (School)
- Destiny Williams (GATRA)
- Rapheal Dowdye (School) transfer to MTRS
- Deborah Cozzens (School)

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

VOTED: to approve the refunds & transfers.

VOTE: 5-0-0

Regular Meeting – April 25, 2018

Retirement/survivorship applications:

- Natalia Batista, School, Superannuation, Group 1, 5/5/2018
- Adelino Pimental, School, Superannuation, Group 1, 7/2/2018
- Lina Espinola, TNH, Superannuation, Group 1, 7/12/2018

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

VOTED: to approve the retirements.

VOTE: 5-0-0

Deaths

- Matthew Dykas Sr. (Fire) deceased 4/6/18 – Option B \$\$ used up – no Opt. B refund
- Madeline Mros (surv. of Sidney) deceased 4/12/18

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

VOTED: to acknowledge deaths and place on file.

VOTE: 5-0-0

Make-up/redeposits and liability for creditable service:

- Tracey Acord (School) part time service, 10/10/2009 – 6/22/2012 – 6 months, 25 days
- Randy Moitoza (Park and Rec), refund redeposit, 3/26/01 – 10/18/10, 9 years, 6 months

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

VOTED: to approve makeups/redeposits and liability for service.

VOTE: 5-0-0

PERAC Memo's and correspondence:

- PERAC Memo #16/2018 – Mandatory Retirement Board Training – 2nd Qtr 2018
- PERAC Memo #17/2018 – Implementation of the Vernava decision. The board and attorney Sacco reviewed the case and discussed PERAC's recommendation that retirement systems keep taking deductions out of regular compensation for those members who are on workers compensation. If the member retires for superannuation, the member will retain the deductions in their annuity savings account. If the member retires for accidental disability, the deductions are to be refunded to the member. Discussion was lengthy on the Vernava case and Atty. Sacco recommended that the board consider sick and vacation time take during workers compensation to NOT be regular compensation and no deductions to be withheld. Also the board may have to recalculate allowances and refund deductions for past ADR retirees who come forward and make such a request After review and discussion, the board voted as follows:

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

VOTED: to instruct the city's payroll agencies to stop taking deductions out of supplemental sick or vacation pay taken during the time a member is on workers compensation. (*police/fire not included due to 111F injury leave which is different*)

VOTE: 5-0-0

- PERAC Vendor Disclosure Forms 2017 – review each manager in PROSPER .

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

VOTED: to postpone action so each board member can log in to PROSPER on their own time to review the Vendor disclosure forms before the next meeting.

VOTE: 5-0-0

Regular Meeting – April 25, 2018

Investments & accounting:

- Accounting reports for m/e 12/31/17 – Pre &After-Closing Trial Balance, Cash Receipts & Disbursements, and Journal Entries. Bristol County Savings Bank Checking account statement and reconciliation as of 02/28/2018. After the Board’s full review of all reports, it was voted as follows:

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

VOTED: to approve the accounting reports and bank statement & reconciliation.

VOTE: 5-0-0

- Investments Purchased (\$10,530,007.72) & Sold \$10,529,949.37 for m/e 02/28/2018.

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

VOTED: to approve all investment purchases & sales for November 2017.

VOTE: 5-0-0

- The Board reviewed the Annual Statement of the Financial Condition of the Taunton Retirement System as of December 31, 2017. Ex. Dir Slivinski noted that excess earnings totaled over \$40 million in 2017 and the Pension Reserve Fund is up to over \$222 million to fund our pensions. Total assets stand at \$321,973,734.96 as of 12/31/17.

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

VOTED: to approve the Annual Statement and to send to PERAC.

VOTE: 5-0-0

Funding & Budget requests: there were none.

Travel, Education & Conferences:

- The Board reviewed attendees to the Spring MACRS Conference in Hyannis, MA June 3-6, 2018.

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

VOTED: to authorize board members and staff to attend the conference.

VOTE: 5-0-0

- The Board reviewed tuition & fee reimbursement for Karen Medeiros for MBA class-Statistics - \$2,107.95 – final grade 97.14%.

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

VOTED: to approve the reimbursement.

VOTE: 5-0-0

Legal matters:

- The Board reviewed legal expenses of \$6,810.00 for m/e 3/31/2018 for Atty. Michael Sacco.

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

VOTED: to approve the legal expenses for m/e 03/31/2018.

VOTE: 5-0-0

- The Board reviewed Client memo from Atty. Sacco – PERAC Vernava decision memo #17 and Boelter v. Bd. of Selectmen of Wayland.

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

VOTED: to receive and place on file.

VOTE: 5-0-0

Regular Meeting – April 25, 2018

Executive Director's report:

- Vontobel & GAM 7-year contract terms

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

VOTED: to set 7-year contract term for Vontobel Int'l Growth Equity Fund of 05/01/2018 to 04/30/2025.

VOTE: 5-0-0

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

VOTED: to set 7-year contract term for GAM Emerging Markets Fund of 06/01/2018 to 05/31/2025 pending liquidation of assets from current manager Glovista Investments.

VOTE: 5-0-0

- Update: Systematic & LMCG. PERAC acknowledgments have been received and contracts & side-letters are being worked on by our legal counsel.
- Jury Duty – April 30 for Ex. Director
- TMLP seminar – May 2nd – Ex. Dir. to conduct four seminars during the course of the day.
- PPAG – May 10 – Ex. Dir. to attend PERAC's meeting on public pension policy issues.
- Maria Lima – evidentiary review postponed until May 23rd meeting
- SFI's due May 1 – reminder to all board members that deadline is fast approaching.
- Conflict of Interest Certificates – upload to PROSPER for CEU credit
- Ex. Dir. that the Legal Services procurement was approved & acknowledged by PERAC and that the contract was set to be executed.

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

VOTED: to set 7-year contract term for Law Offices of Michael Sacco from 03/31/2018 to 03/30/2025.

VOTE: 5-0-0

- Ex. Dir. reported that Glovista Investments emerging markets account notified the board that they are reducing their mgmt. fee from .75% to .50% effective from January 1, 2018. The board placed on file.
- Ex. Dir. reported that new managers-to-be, Systematic (Intl Value equity) and LMCG (Intl small-cap equity) are likely to be completed with the contracts etc. by June 1st. Therefore the current manager(s) for Intl Value Equity (Earnest Partners) and Intl Small-cap equity (Denver Investments) would need to be terminated and to have their assets eventually transferred to the new managers.

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

VOTED: to terminate Earnest Partners & Denver Investments effective May 31, 2018 and to transition assets to Systematic & LMCG upon approval of contracts for each with a proposed effective investment date of June 1st.

VOTE: 5-0-0

OLD BUSINESS: there was none.

NEW BUSINESS: there was none.

Regular Meeting – April 25, 2018

EXECUTIVE SESSION:

At 2:09 p.m., Chairperson Hebert entertained a motion by Amaral, seconded by Enos to go into Executive Session pursuant to M.G.L. c. 30A, s. 21(a)(3) to review the medical panel reports on Bernadette Cabral. 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 2:13 p.m.

On the motion by Enos, seconded by Smith, 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

VOTED: to approve the application for accidental disability retirement of Bernadette Cabral and forward to PERAC for final review.

VOTE: 5-0-0

There being no further business to come before the board, it was voted to adjourn at 2:17 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