

Regular Meeting – May 23, 2018

The Taunton Retirement Board (the “Board”) met at 1:05 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, and Barry J. Amaral in attendance.

Roll Call

All members were present at the 1:05 p.m. roll call except for member Corr who was absent.

Also present were:

Paul J. Slivinski, Executive Director

Atty. Christopher Collins, Counsel to the Board

Maria Lima, Disability applicant

Atty. Lauren Von Iderstine, counsel for Ms. Lima

Lynn Davine, HR Director

Kathleen Madden of Dunn reporting agency

Greg McNeillie, Dahab Associates, board investment consultant

Kevin Condy, Dahab Associates

Dan Sherman of Sherman Actuarial Services

REGULAR BUSINESS:

Minutes –from the April 25, 2018 regular meeting and executive session.

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

VOTED: to approve the minutes.

VOTE: 4-0-0

Warrants – #34 to #43 for 2018.

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

VOTED: to approve the warrants.

VOTE: 4-0-0

New members of the system to date:

- Lauren Azevedo, School, Group 1, 9+2%
- Frazier Jeffrey, DPW, Group 1, 9+2%
- Waters, Michael, Parks, Playgrounds & Cemeteries, Group 1, 9+2%

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

VOTED: to approve the new members.

VOTE: 4-0-0

Refunds/transfers subject to D.O.R. liens: there were none.

Retirement/survivorship applications:

- Fatima Almas (School Dept.) Superannuation, Group 1, 06/12/2018
- Lois A. Shaw (School Dept.) Superannuation, Group 1, 09/04/2018
- Filomeno Couto (School Dept.) Superannuation, Group 1, 08/04/2018

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

VOTED: to approve the retirements.

VOTE: 4-0-0

Deaths

- Lillian Lewis (surv. of Walter) deceased 4/20/18, No further benefits payable.
- Mary Medeiros (surv. of George) deceased 4/20/18, No further benefits payable.
- Eugene Gorey-dod 4/24/18, Ordinary Disability Option C survivorship to widow Marilyn.
- Alyce Lutz dod 05/07/2018 – Option B. All funds used up and no further benefits payable.
- Edmundo Correia dod 05/17/18 – Option B. All funds used up and no further benefits payable.
- Patricia A. Boyer dod 05/16/18 – Section 101 survivor. No further benefits payable.
- Roland Courcy dod 05/16/18 – Option A. No further benefits payable.

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

VOTED: to acknowledge deaths and place on file.

VOTE: 4-0-0

Make-up/redeposits and liability for creditable service:

- Karen Andrade (School) 05/07/2015 to 02/11/2016 P.T. pro-rated – 5 mos., 12 days credit
- Lindsey Centrella (Library) 09/16/2017 to 04/07/2018 P.T. pro-rated – 6 mos., 4 days credit

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

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

VOTE: 4-0-0

PERAC Memo's and correspondence:

- The Board completed review of Annual Vendor Disclosure forms for 2017 for all investment vendors. This was done electronically via the PERAC PROSPER system. After review of all forms, the board voted as follows:

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

VOTED: to approve the 2017 Vendor Disclosure forms for all current investment-related

vendors.

VOTE: 4-0-0

Investments & accounting:

- Accounting reports for m/e 01/31/18, 02/28/18 & 03/31/18 – Trial Balance, Cash Receipts & Disbursements, and Journal Entries. Bristol County Savings Bank Checking account statement and reconciliation as of 03/31/2018. After the Board's full review of all reports, it was voted as follows:

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

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

VOTE: 4-0-0

- Investments Purchased (\$12,510,935.18) & Sold \$12,510,993.58 for m/e 03/31/2018.

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

VOTED: to approve all investment purchases & sales for March 2018.

VOTE: 4-0-0

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Funding & Budget requests: there were none.

Travel, Education & Conferences:

The Board received a report from those attending the recent NCPERS conference in New York, N.Y. as follows:

NCPERS Conference: May 13-17, 2018

Board Members Hebert & Enos and Admin. Ass't. Medeiros recently attended the NCPERS Conference from May 13-17, 2018 in New York City. Attendees took part in retirement and investment education offered by NCPERS. The Board's travel policy incorporates an emphasis on continuing education that is encouraged as a way to make sure the board members and staff holding positions of responsibility for the plan's viability are well informed and will be able to do their utmost to make sound decisions when challenged. A summary of topics covered were as follows:

NCPERS Annual Conference & Exhibition 2018-Education received on the following: Annual Report, 2018 Economic Outlook, Legal Panel on Securities Litigation, Managing Costs and Optimizing Performance, Actuarial Hotspots in 2018, Real Estate Investment Strategies, Environmental/Social/governance investing, Emerging Markets, Corporate Governance, Outlook for Public Plan Investments, Secure Savings & Investment for Pension Funds through Innovation, Public Plan Funding Standards, Cyber Breaches and Insurance, Retiree Healthcare benefit strategies, International Small-cap Equity investing, Fiduciary Duty, Infrastructure Investing, Legal Panel: Benefits, Taxes & Regulations, Negative Net cash flows, Finding value in the High-Yield Bond market, Trends in Emerging Markets for Private Equity, Reducing Equity Risk, Global Economic Market update, Absolute Return Strategies, and Pension Shareholder Activism and Pension Reform. Also NCPERS business meeting, conference resolutions and networking activities.

All Attendees reported that the programs were well presented. The interaction with professionals from all investment management styles was most beneficial. The subjects covered will assist in the fulfillment of fiduciary responsibilities.

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

VOTED: to accept the report and approve travel-related expenses.

VOTE: 4-0-0

Legal matters:

- Review legal expenses of 7,235.00 for m/e 04/30/2018 for Atty. Michael Sacco.

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

VOTED: to approve the legal expenses for m/e 4/30/18.

VOTE: 4-0-0

- The Board reviewed a draft letter to HR departments on pre-employment physicals and screening requirements.

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

VOTED: to approve the letter and to send to all HR departments and hiring officers of the city and member units.

VOTE: 4-0-0

- The Board reviewed the DALA decision - Deborah Carr v. Taunton Retirement Board & PERAC.

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

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VOTED: to accept DALA's decision to dismiss Ms. Carr's appeal and to place on file.

VOTE: 4-0-0

Executive Director's report:

- Joseph Perry – deceased / final balance due \$597.33. Ex. Director explained that PERAC auditors had noted that Mr. Perry's balance remained outstanding and that it should be paid out to his estate with "correction of errors" interest (10-year treasury rate).

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

VOTED: to approve the final payment to Mr. Perry's estate.

VOTE: 4-0-0

- PERAC audit – Ex. Director updated the board that the audit will be completed soon and eventually an exit conference will be scheduled.
- Systematic, LMCG and GAM contracts – Ex. Director reported that all contract and side-letter agreements have been finalized and ready for the Chair's signature and that funding will take place shortly thereafter with a target date of June 1st assuming funds are available from those managers who were terminated – Earnest Partners, Glovista Investments, and Segal Bryant & Hamill (formerly Denver Investments). Contract dates will run from 6/1/18 thru 5/31/2025 for 7-year max. period. Also if there are funds leftover from Glovista to invest with the SSgA Emerging markets index fund. Finally the retention of Vontobel to manage Intl Growth equity contract will also run 6/1/18 thru 5/31/2025.

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

VOTED: to approve the contracts & side-letter agreements and to fund investments June 1st or as soon as possible with contract dates set as 06/01/2018 thru 05/31/2025.

VOTE: 4-0-0

EXECUTIVE SESSION:

At 1:14 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 application of Maria Lima of the Taunton Nursing Home. 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 Enos "YES"; Member Hebert "YES"; Member Smith "YES"

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

Open Session 1:28 p.m.

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

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

VOTE: 4-0-0

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

VOTED: to deny the application for accidental disability retirement of Maria Lima and to provide her proper notice and the right to appeal.

VOTE: 4-0-0

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Actuarial Valuation – January 1, 2018

The Board met with Dan Sherman of Sherman Actuarial Services to review preliminary results of the January 1, 2018 actuarial valuation. Also attending was investment consultant Greg McNeillie and his associate Kevin Condy.

Mr. Sherman provided the board with various analysis including payroll, average salary-past service-attained age, employee/employer normal cost, actuarial accrued liability, fund ratio, and unfunded liability. Also multiple funding schedule options were presented to the board. Gains/Losses between 1/1/16 to 1/1/18 were analyzed. Funded ratio came in at 79.6% funded on an actuarial basis and 80.9% on a market value basis. The current funding schedule shows that the system will be funded by the year 2026.

After review and discussion, the Board requested additional funding options using the assumption that the system is funded by 2026, 2025, 2024 & 2023 with breakouts for enterprise funds and units. Mr. Sherman will provide these for the next meeting.

Mr. Sherman was excused from the meeting.

OLD BUSINESS: There was none.

NEW BUSINESS:

The Board invited Greg McNeillie & Kevin Condy of Dahab Associates to review investment performance for q/e 3/31/18. Performance came in at -.3% versus the policy of index of -.6%. All managers were reviewed versus their benchmarks and all are investing within the guidelines set by the Board.

There being no further business to come before the board, it was voted to adjourn at 3:17 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

Absent from meeting
Peter H. Corr, Elected Member

Gill E. Enos, Appointed Member