

Regular Meeting – May 27, 2020

The Taunton Retirement Board (the “Board”) met remotely with the Zoom application at 1:07 p.m. on May 27, 2020 at 104 Dean Street, Suite 203, Taunton, MA with Vice-Chair Dennis Smith presiding and board members Gill Enos, Thomas A. Bernier and Barry J. Amaral participating remotely. Mr. Smith was in attendance.

Vice-Chair Smith informed everyone that this meeting was being conducted remotely consistent with Gov. Baker’s recent orders due to the state of emergency in the Commonwealth in order to mitigate the transmission of the Covid-19 virus. The governor has advised and directed public entities to suspend public gatherings and as such has suspended the requirements of the Open Meeting Law to have all meetings in a publically physical location.

Roll Call

All members were present at the 1:07 p.m. remote roll call except for Ann Marie Hebert who was absent. Also present were:

Paul J. Slivinski, Executive Director – in attendance
Greg McNeillie, Dahab Associates-via remote

REGULAR BUSINESS:

Minutes – from the April 22, 2020 regular & executive session meeting.

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

VOTED: to approve the minutes.

VOTE: 4-0-0

Roll call: Amaral “Yes”; Bernier “Yes”; Enos “Yes”; and Smith “Yes”.

Warrants – Review warrants #32 thru #39 for 2020.

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

VOTED: to approve the warrants.

VOTE: 4-0-0

Roll call: Amaral “Yes”; Bernier “Yes”; Enos “Yes”; and Smith “Yes”.

New members of the system to date:

- Brendan Lyons, TMLP, Group 1, 9+2%
- Maria Teixeira, Police, Group 1, 9+2%

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

VOTED: to approve the new members.

VOTE: 4-0-0

Roll call: Amaral “Yes”; Bernier “Yes”; Enos “Yes”; and Smith “Yes”.

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

- Melanie Aponte, GATRA
- Karen Schnabel, Economic/Development
- Jessica Block, Library

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

VOTED: to approve the refunds & transfers.

VOTE: 4-0-0

Roll call: Amaral “Yes”; Bernier “Yes”; Enos “Yes”; and Smith “Yes”.

Retirement/survivorship applications:

- Revision: Francis Gay changed his retirement date from 4/11/20 to 5/2/20.
- Revision: Bernadette Kelleher changed her retirement date from 6/24/20 to 6/18/20
- Joanne Paull, School, Superannuation, Group 1, 7/30/20
- Revision: Gina Corbo, changed her retirement date from 6/24/20 to 6/26/20
- Gail Oakley, School, Superannuation, Group 1, 6/18/20
- Laurie Koss, Veteran's, Superannuation, Group 1, 7/6/20
- Richard Goulart, TMLP, Superannuation, Group 4, 7/4/20
- Ernest Chretien, Police, Superannuation, Group 4, 7/7/20
- Steven Meunier, TNH, Superannuation, Group 1, 6/2/20

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

VOTED: to approve the retirements & survivorships.

VOTE: 4-0-0

Roll call: Amaral "Yes"; Bernier "Yes"; Enos "Yes"; and Smith "Yes".

Deaths

- Robert Moitoza (d.o.d. 5/10/2020) Superannuation-Option B & Survivorship. Funds used up. No further benefits

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

VOTED: to acknowledge deaths and place on file.

VOTE: 4-0-0

Roll call: Amaral "Yes"; Bernier "Yes"; Enos "Yes"; and Smith "Yes".

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

PERAC Memo's and correspondence:

- PERAC Memo #22/2020 – Delayed FY21 Appropriations.

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

VOTED: to receive and place on file.

VOTE: 4-0-0

Roll call: Amaral "Yes"; Bernier "Yes"; Enos "Yes"; and Smith "Yes".

Investments & accounting:

- Accounting reports for m/e 03/31/2020 – Trial Balance, Cash Receipts & Disbursements, and Journal Entries. Bristol County Savings Bank Checking account statement and reconciliation as of 03/31/2020. After the Board's full review of all reports, it was voted as follows:

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

VOTED: to approve accounting reports for m/e 3/31/2020 – Trial Balances, Cash Receipts & Disbursements, and Journal Entries and the Bristol County Savings Bank Checking account statement and reconciliation as of 3/31/2020

VOTE: 4-0-0

Roll call: Amaral "Yes"; Bernier "Yes"; Enos "Yes"; and Smith "Yes".

- Investments Purchased (\$30,151,586.65) and Sold \$30,151,597.51 for m/e 03/31/2020.

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

VOTED: to approve the purchases & sales for m/e 3/31/2020.

VOTE: 4-0-0

Roll call: Amaral "Yes"; Bernier "Yes"; Enos "Yes"; and Smith "Yes".

Funding & Budget requests:

- Review budget expenditures and account balances thru m/e 04/30/2020.

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

VOTED: to receive and place on file.

VOTE: 4-0-0

Roll call: Amaral “Yes”; Bernier “Yes”; Enos “Yes”; and Smith “Yes”.

Travel, Education & Conferences:

The board reviewed an email dated 5/26/2020 from PERAC legal advisor Judith Corrigan that stated cancelled flights for the NCPERS conference could not be reimbursed. Airlines have granted a credit to affected board members and staff. According to Atty. Corrigan, this is a “personal credit” and therefore no travel reimbursement can be granted unless the credit is used in the future for an eligible conference.

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

VOTED: to receive and place on file.

VOTE: 4-0-0

Roll call: Amaral “Yes”; Bernier “Yes”; Enos “Yes”; and Smith “Yes”.

Legal matters:

- Legal expenses of \$2,500.00 for m/e 04/30/2020 for Atty. Michael Sacco.

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

VOTED: to approve the legal expenses for m/e 4/30/2020.

VOTE: 4-0-0

Roll call: Amaral “Yes”; Bernier “Yes”; Enos “Yes”; and Smith “Yes”.

Executive Director’s report:

- Upcoming board member election. Ex. Director reviewed election date and appointment of election officers with the board. After review and discussion, the board voted as follows:

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

VOTED: to appoint staff members Paul Slivinski, Karen Medeiros and Jessica Gonsalves as election officers and to set the election date for Tuesday, November 10, 2020.

VOTE: 4-0-0

Roll call: Amaral “Yes”; Bernier “Yes”; Enos “Yes”; and Smith “Yes”.

- Board operations during COVID-19 – remote work from home etc. Member Enos noted that Gov. Baker will eventually have further announcements and then the Board can act accordingly to set further policy on this issue.
- GASB 68 audit update. Auditors from Hague & Sahady are working on the audit remotely starting on 6/8/2020.
- PERAC review update – actuarial valuation 1/1/2020. PERAC actuary John Boorack has the valuation under review and a response will be forthcoming soon.
- ESS Portal training – PTG conducted an online seminar for all members & retirees to provide training on how to use the portal.
- Board credit card – the board discussed obtaining a credit card. Member Enos noted that the city’s TIN is shared by the retirement system and that the city treasurer would need to be involved. After discussion, the board voted as follows:

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

VOTED: to approve obtaining a board credit card and to work with Treasurer-collector Barbara Auger on this matter.

VOTE: 4-0-0

Roll call: Amaral “Yes”; Bernier “Yes”; Enos “Yes”; and Smith “Yes”.

- Russell Laine – Ex. Director gave update on medical panel reports. Mr. Laine had tele-exams on May 7th & 8th with three independent physicians. One report has been received to date. This matter will most likely be scheduled for the June meeting to review all reports.

EXECUTIVE SESSION: there was none.

OLD BUSINESS: there was none.

NEW BUSINESS: Member Bernier asked if Fire mechanic Michael Perry had contacted the office. This was due to the current home-rule bill filed in the state legislature to place Mr. Perry in group 4. Ex. Director noted that calls have gone back and forth and just waiting to speak to Mr. Perry to get an update on the matter.

The Board met remotely with investment consultant Greg McNeillie of Dahab Associates to review investment matters.

Performance Evaluation for q/e 3/31/2020 & update thru 4/30/2020

Mr. McNeillie provided a summary of the current economic environment and the impact on the portfolio due to the COVID-19 coronavirus pandemic. For q/e 3/31/20, the assets were down -17.8% vs. the policy index -17.9%. Thru m/e 4/30/20, the assets were -10.9% vs. policy index of -7.1%. The system's weighting to equities was the main detractor in performance. Also, the re-positioning of assets from prior managers to new managers in real estate caused a portion of real estate assets to lag. Growth is still outperforming Value in the current environment. Therefore managers with a value tilt performed poorly. Recent performance by Brandywine Intl Opp Fixed Income and Quantitative Mgmt. Associates US Small-cap Equity will be monitored by the Board as these managers have trailed their respective benchmarks over several time horizons.

Boston Partners Int'l (Value) Equity Trust Fund

Previously, funds were liquidated from Systematic Intl Equity Fund and temporarily invested in the SSgA EAFE Index fund. The total was \$9.8 mm. By the time it became time to reinvest these funds with Boston Partners, the market was down significantly and now this amount is approx. \$8.1 mm.

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

VOTED: to approve the contract with Boston Partners for \$8 mm. The contract term will run from 5/28/2020 thru 5/28/2027.

VOTE: 4-0-0

Roll call: Amaral "Yes"; Bernier "Yes"; Enos "Yes"; and Smith "Yes".

Payroll cash needs

Ex. Director noted that \$1 mm would be needed to fund retiree payroll for 6/30/2020. After discussion, Mr. McNeillie recommended liquidating funds from fixed income with C.S. McKee.

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

VOTED: to liquidate \$1 mm from C.S. McKee to raise the needed cash.

VOTE: 4-0-0

Roll call: Amaral "Yes"; Bernier "Yes"; Enos "Yes"; and Smith "Yes".

Seven (7) year manager searches

Mr. McNeillie informed the board members that asset classes for Agriculture, Int'l Fixed Income, Large-cap Growth Equity and Large-cap Value Equity were due to be procured to meet the state law on 7-year limit on investment contracts. After review and discussion, the board requested Mr. McNeillie to come back at the next meeting with draft RFP's for these asset classes.

Member Enos asked if Mr. McNeillie had ever heard of Marine funds? After review, the Board asked Mr. McNeillie to provide further information on these funds etc.

There being no further business to come before the Board, it was voted to adjourn at 2:05 p.m.

APPROVED BOARD OF RETIREMENT

Absent
Ann Marie Hebert, Ex-Officio, Chairperson

Paul J. Slivinski, Executive Director

Dennis Smith, Elected Member

Barry Amaral, Appointed Member

Thomas A. Bernier, Elected Member

Gill E. Enos, Appointed Member