

PLYMOUTH RETIREMENT BOARD
Friday, December 21, 2018
8:05 a.m.
10 Cordage Park Circle, Suite 240
Plymouth MA 02360

Vice Chair Lynne Barrett called the meeting to order at 8:05 a.m. in the conference room of the Plymouth Retirement Office. Present Board members were Gerald Coughlin and Dale Webber. Also present were Anthony Tranghese, from FIA, Wendy Cherry and Karry Barros. Shawn Duhamel joined the meeting at 8:04 a.m. via speakerphone. Chairman Thomas Kelley was absent.

Section I: Regular Business

Minutes:

Minutes of November 30, 2018

Regular Meeting

Motion to approve Minutes made by Mr. Webber; Seconded by Mr. Coughlin.
Voted by roll-call:

Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Duhamel	yes

Warrants:

Warrant #10 Dated October 31, 2018	\$ 4,359,828.81 Final
Warrant #11 Dated November 30, 2018	\$ 1,807,786.08 Partial
Warrant #12 Dated December 31, 2018	\$ 78,155.91 Partial
Warrant #1 Dated January 31, 2019	\$ 3,997.34 Partial
Trial Balance as of October 31, 2018	\$ 182,661,172.90

Retirement Board Meeting Minutes
December 21, 2018

Motion to approve Warrants made by Mr. Coughlin; Seconded by Mr. Webber.
Voted by roll-call:

Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Duhamel	yes

Public Comment:

None

New/Old Business:

None

NCPERS Conference

NCPERS 2019, Legislative Conference will be held January 27 – 29, 2019, in Washington D.C.

Motion to approve attendance to the NCPERS 2019, Legislative Conference held January 27 – 29, 2019, made by Mr. Coughlin; Seconded by Mr. Webber. Voted by roll-call:

Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Duhamel	yes

PERAC MEMOS:

Memo #33/2018: CRAB's Order of Partial Stay Regarding Regular Compensation Status of Payments Made in Lieu of Unused Leave Time

Memo #34/2018: Tobacco Company List

COLA Vote:

There is a 30-day notice requirement for the posting of the COLA Vote. If the Board wants to have the COLA Vote meeting in January 2019, the meeting date must be January 25, 2019.

Motion to hold Regular and COLA Vote Meetings on January 25, 2019, made by Mr. Webber; Seconded by Mr. Coughlin.

Retirement Board Meeting Minutes
December 21, 2018

Voted by roll-call:

Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Duhamel	yes

Section II: Membership:

New Hires:

Town:

9% Bates, Joseph, Group 1, Inspector/Lister
Perm. Full-time: \$924.74 weekly
Start Date: December 3, 2018

School:

9% Costello, John, Group 1, Custodian
Perm. Full-time: \$1560.15 bi-weekly
Start Date: December 3, 2018

Motion to accept Town and School New Hires made by Mr. Webber; Seconded by Mr. Coughlin. Voted by roll-call:

Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Duhamel	yes

Refunds:

Town:

Ferguson, Joel, Group 4, Police Officer
Four (4) Years, One (1) Month Creditable Service (9/15/2014-11/12/2014)
Total Taxable Refund including FWT: \$25,970.56
Total Non-Taxable Refund: \$959.50

Heylin, Patricia, Group 1, Programs Coordinator/Fiscal Manager
Five (5) Years, Four (4) Months Creditable Service (7/1/2013-11/2/2018)
Total Refund Including FWT: \$17,809.11

Retirement Board Meeting Minutes
December 21, 2018

School:

Callahan, Tracy, Group 1, Paraeducator
Eight (8) Years, Seven (7) Months Creditable Service (8/5/2006-6/22/2018)
Total Refund Including FWT: \$17,008.31

Zeoli, Kristen E., Group 1, Registered Behavior Specialist
Five (5) Years, Five (5) Months Creditable Service (8/26/2014-6/22/2018)
Total Refund Including FWT: \$17,048.79

Motion to accept Town and School Refunds made by Mr. Coughlin; Seconded by Webber.
Voted by roll-call:

Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Duhamel	yes

3(8)(c) Liability:

School:

Marlene (Elias) Walsh, former Administrative Assistant with the Plymouth Housing Authority, is currently a member of the Berkshire County Retirement System. Ms. Walsh worked from April 2, 1984 – November 23, 1990, and took a refund of her deductions on November 30, 1990, in the amount of \$9,455.98. Ms. Walsh is requesting to purchase her prior refund. If proper deductions and interest are re-deposited, will the Board take 3(8)(c) Liability for six (6) years and eight (8) months creditable service?

CORRECTION- James C. Tobin, former Energy Conservation Coordinator with the Plymouth Public Schools is currently a member of the Lowell Retirement System. Mr. Tobin worked from August 22, 2005-April 28, 2010, and took a refund of his deductions on February 17, 2012, in the amount of \$25,699.74. If proper deductions and interest are re-deposited, will the Board take 3(8)(c) Liability for four (4) years and one (1) month creditable service? Total creditable service should have been four (4) years and eight (8) months.

Motion to accept 3(8)(c) Liability for Marlene (Elias) Walsh and Correction for James C. Tobin made by Mr. Coughlin; Seconded by Mr. Webber. Voted by roll-call:

Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Duhamel	yes

Retirement Board Meeting Minutes
December 21, 2018

Retirements:

Town:

Kierstead, Barry L., Group 4, Fire Fighter
Thirty-Two (32) Years of Creditable Service
Superannuation Retirement: option c
Retirement Date: December 22, 2018

Rogers, John Jr., Group 4, Police Captain
Thirty-three (33) Years, One (1) Month of Creditable Service
Superannuation Retirement: option c
Retirement Date: December 28, 2018

Motion to accept Town Retirements made by Mr. Coughlin; Seconded by Mr. Webber.
Voted by roll-call:

Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Duhamel	yes

Old Business:

Vice Chair Barrett asked if each Board member had a chance to review the draft letter Ms. Cherry emailed regarding the Town's current policy of adding 1% of gross payroll to the OPEB Fund yearly.

Motion to approve the draft and send letter to the Selectmen made by Mr. Coughlin; Seconded by Mr. Webber.

Voted by roll-call:

Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Duhamel	yes

Investments:

Anthony Tranghese explained to the Board that he did not have the preliminary performance numbers for December because it is too early in the month. He stated that December 2018, is on pace to be the worst month since the Financial Crisis with the potential to be down 3 to 4 percent for the year. With only 4 or 5 trading days left, performance will not be close to the actuarial

target for 2018. He added that a resolution in trade discussions or in Washington D.C. would bring some good news.

Investment Manager Presentations 2018:

Boston Partners-Large Cap Value:

Derek Dolan, Relationship Manager and John Forelli, Director of Portfolio Research joined the meeting and introduced themselves.

Mr. Duhamel stated that he would be leaving the meeting in ten minutes.

Mr. Dolan wished the Board Happy Holidays and gave an update on the Firm. He told the Board that total Assets under Management are \$100.7 Billion. There are no material changes to the Firm and the Portfolio Managers are Mark Donovan and Dave Pyle. He added that there were promotions for David Cohen, Stephanie McGirr, and Josh White.

Mr. Forelli gave the performance review. He told the Board that 2018, was a very volatile year, especially the 4th Qtr. He added that the month of December is down 10% already. The 3rd Qtr. performance was at 7.68% vs. the Russell 100 Value Index at 5.70%. Year-to-Date (through November 30, 2018) the Fund was at 1.34% vs. the Russell 1000 Value Index at 1.48%. He told the Board that their initial investment was \$6 Million in October 2012, and the Fund has made \$5.1 Million. He explained to the Board that the Boston Partners Value Equity Investment Philosophy is made up of three core principles: Value Discipline anchored in three fundamental truths- low valuation stocks outperform high valuation stocks, companies with strong fundamentals outperform companies with poor fundamentals, and stocks with positive business momentum outperform stocks with negative momentum. Boston Partners uses a characteristic-based investment approach and they work to ensure the preservation of capital.

Mr. Duhamel ended his conference call at 8:40 a.m.

Vice Chair Barrett asked Mr. Forelli what his outlook is for the coming year.

Mr. Forelli answered that when the Market is balanced, the fear part of the equity cycle shows. It is his opinion that the Market is acting fearful and over-reacting to a degree. The valuation for 2019, is looking attractive and he feels the coming year will be a typical year of growth in the U.S.

The Board thanked Mr. Dolan and Mr. Forelli and they left the meeting.

Boston Trust-Small Cap Core:

Mark Cushing, CFA and Richard Williams, CFA joined the meeting and introduced themselves.

Retirement Board Meeting Minutes
December 21, 2018

Mr. Cushing gave the Board a brief update on the Firm. He told the Board there were no changes to the Firm or ownership except that currently 40 of their 60 employees have ownership in the company. The Firm has been employee owned since 2014, business is solid, and they have loyal clients. There were a couple investment people hired in the last year and they are seeking to hire 2 more. He added that people like to work at Boston Trust because they have the opportunity to own some of it.

Mr. Williams told the Board that the company has the ability to promote from within and fill low level positions from the outside.

Mr. Cushing told the Board that the Firm's strategy objectives are to generate superior returns with less risk over full market cycles and provide diversified exposure to the U.S. small cap Market. He added that their companies are less expensive.

Mr. Williams reviewed performance. He told the Board that the portfolio is doing exactly what it is supposed to do. The Fund was down (for the month through 12/19/18) 16%, but the Russell 2000 Index was down 20% for the same period. For the three (3) Year Annualized, the Fund was at 9.80% (net of fees) and the Index at 7.85% and the five (5) Year Annualized, 5.09% vs the Russell 2000 Index at 5.11%. He added that they have been two (2) to three (3) percent ahead of the Index since inception.

Ms. Cherry left the meeting at 9:05 a.m.

In summary, Mr. Williams told the Board that we are in an increasingly uncertain Market Environment. Growth outside of the U.S. has slowed and the political uncertainty in the U.S. and abroad as well as the trade and tariff restrictions has increased this uncertainty. He assured the Board that the Firm is committed to protecting when things are tough and making money when the Markets are good.

The Board thanked Mr. Cushing and Mr. Williams and they left the meeting.

Acadian-International Small Cap:

Julie Snaman, AVP/Senior Consultant Relations Associate and Scott Brymer CFA/SVP/Portfolio Manager joined the meeting and introduced themselves.

Ms. Snaman told the Board that the Firm had no real changes. As of November 30, 2018, they had \$91 Billion in AUM and as of yesterday \$88 Billion. The Firm has offices in Boston, London, Singapore, Sydney, and Tokyo with 380 employees worldwide. She added that cash flows have been positive for the year.

Mr. Brymer told the Board that on the investment side, there is a CIO transition happening. John Chisholm will be retiring, and Brendan Bradley will fully succeed him as Chief Investment Officer in 2019.

Retirement Board Meeting Minutes
December 21, 2018

Mr. Brymer told the Board that when the Markets are down, the portfolio will be down as well. The Fund was at -13% (net of fees) vs. the benchmark (MSCI EAFE small cap) at -12.2% through November 30, 2018. It was down an additional 7% more through December 20, 2018. He added that both the portfolio and the benchmark performed below expectations. The 2018, returns have not been good and during this period their process has not been rewarded. They will continue to work on the process but, the long-term relative performance is something to be happy about.

Mr. Tranghese asked if there have been any changes made in light of the past few weeks.

Mr. Brymer explained that no significant changes have been made. Value looks a little more attractive and a bit of a shift out of Continental Europe has been made. There was also a bit of capital moved into Israel.

Vice Chair Barret asked what the outlook is going forward.

Mr. Brymer answered that he does not make Stock Market predictions however, his view on the Market is there has been a big draw down in equity markets. There are a number of challenges including the trade tariff disputes. He told the Board his opinion is that the balance of risk is about average. There are certainly risks but their focus is over a 3 to 5 year period.

The Board thanked Ms. Snaman and Mr. Brymer and they left the meeting.

RhumbLine- S&P 500 Index:

Denise D'Entremont, Director of Marketing and Wayne Owen, CEO joined the meeting and introduced themselves.

Ms. D'Entremont told the Board that the Fund performed on the plus side through November 2018, but she can't say the same for December. The Fund is down about 9% so far in December. She explained that the time to buy is when the Market is down. Performance through November 30, 2018, (gross of fees) was 5.08% vs. the benchmark (S&P 500 Index) at 5.11%. The trailing 1-Year numbers are 6.24% vs. the S&P 500 Index at 6.27%. The Annualized Performance since inception is 11.13% vs the S&P 500 Index at 11.16%. Ms. D'Entremont informed the Board of the possibility of the Fund merging to a larger Fund over the next three (3) to six (6) months. She told the Board that this potential merge has been discussed with PERAC already and PERAC does not have an issue so long as the guidelines are the same. This is a pooled Fund and the required documentation will be provided should the merge go through.

Ms. D'Entremont reviewed performance for the OPEB Fund.

The OPEB S&P 500 Pooled Index Fund performance (gross of fees) through November 30, 2018, was at 5.08% vs. the benchmark (S&P 500 Index) at 5.11%. Annualized performance since inception is 13.74% vs. the benchmark at 13.78%.

Retirement Board Meeting Minutes
December 21, 2018

The OPEB MSCI EAFE Pooled Index Fund performance (gross of fees) through November 30, 2018, was -9.16% vs. the benchmark (MSCI EAFE Index) at -9.39%. Annualized performance since inception is 6.81% vs. the benchmark at 6.73%.

Core Bond Pooled Index Fund performance (gross of fees) through November 30, 2018, was at -1.48% vs. the benchmark (Core Bond) at -1.79%. Annualized performance since inception is .99% vs. the benchmark at .88%. The total Market Value through November 30, 2018, for all three funds in OPEB is \$4,774,926.93.

Mr. Owen told the Board that total assets under management as of September 30, 2018, is \$56.2 Billion. The Firm added Lisa Sheeler from MFS to Compliance and Esther Paschoalatto as a Client Service Liaison. Darren McDonald was also added as a Project Manager in IT. Mr. McDonald was formerly a contractor but was recently offered a full-time position. Mr. Owen told the Board that there are no other expected changes.

The Board thanked Ms. D'Entremond and Mr. Owen and they left the meeting.

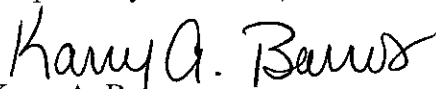
Next Meeting:

January 25, 2019

Adjourn:

Motion to adjourn Regular Meeting at 10:30 a.m. made by Mr. Webber; Seconded by Mr. Coughlin. Unanimously voted.

Respectfully submitted,


Karry A. Barros
Assistant Director

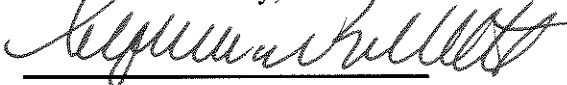
Retirement Board Meeting Minutes
December 21, 2018

Plymouth Retirement Board:

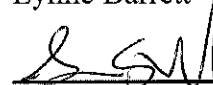
DO NOT SIGN

Dated: January 25, 2019

Mr. Thomas Kelley, Chairman



Lynne Barrett



Shawn Duhamel



Gerald Coughlin



Dale Webber