

PLYMOUTH RETIREMENT BOARD
Friday, September 22, 2017
8:00 a.m.
10 Cordage Park Circle, Suite 240
Plymouth MA 02360

Chairman Kelley called the meeting to order at 8:00 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, Wendy Cherry and Karry Barros. Lynne Barrett entered the meeting at 8:05 and Shawn Duhamel participated via speaker phone entering the meeting at 8:00 a.m.

Section I: Regular Business;

Minutes:

Minutes of August 25, 2017	Regular Meeting
Minutes of August 25, 2017	Executive Session

Motion to approve minutes made by Mr. Webber; Seconded by Mr. Coughlin.

Unanimously voted by roll-call:

Mr. Kelley	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Duhamel	yes

Warrants:

Warrant #7/2017:	\$ 6,122,983.94 Final
Warrant #8/2017:	\$10,203,014.55 Partial
Warrant #9/2017:	\$ 4,385,470.98 Partial
Warrant #10/2017:	\$ 3,911.19 Partial

Trial Balance as of July 31, 2017:	\$169,744,273.04
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Motion to approve minutes made by Mr. Webber; Seconded by Mr. Coughlin.

Unanimously voted by roll-call:

Mr. Kelley	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Duhamel	yes

Lynne Barrett entered the meeting at 8:05 a.m.

Public Comment:

First Public Comment: Mr. Webber made a comment regarding the shared responsibility he has had with many other Board Members working towards securing employee/retiree benefits over the years. Mr. Webber made mention that the PEC (Public Employee Committee) is currently in negotiations of benefits. He expressed concern regarding the preservation of existing benefits that he and other Board Members have worked diligently to implement with the Town and School.

There was Board discussion on the matter.

Ms. Barrett commented that it is her understanding that any proposals given would include language to “grandfather” existing retirees and any changes would only apply to future retirees.

Second Public Comment: Ms. Barrett informed the Board that the Town has moved their Munis System to the “Cloud” so-to-speak. She told the Board that the Finance Department would like to make another attempt to have each department input their own payroll on a weekly basis. The first attempt some time ago was not successful but they feel they are ready to try again. Ms. Barrett wanted to know if Ms. Cherry and Ms. Barros would be on board with trying again to enter the Retirement Office payroll through the Munis System weekly.

Both Ms. Cherry and Ms. Barros are willing to work with the Finance Department and input their own office staff payroll weekly.

FY 19 COLA Increases:

Ms. Cherry told the Board that she would like the Board to determine if Board Staff will be receiving a Cost-Of-Living increase effective July 1, 2018, and if so, she is requesting the Board vote a percentage amount in order for her to include the increase with her budget. She added that it has been past practice to mirror the COLA that the Town grants.

Ms. Barrett recommended voting a 2% COLA for Board Staff.

Mr. Webber asked for clarification of past practice regarding mirroring the Town and mentioned that the 2% recommended might be low.

Ms. Barrett explained she is recommending 2% for budgetary purposes only, due to the fact that PERAC requires the budget be completed and submitted, before contracts settle. She added that when the Town does settle the contracts, if necessary, the number can be increased to mirror the Town’s.

There was discussion regarding compensation studies being performed.

Chairman Kelley stated that the issue can be revisited on a later date and adjusted if necessary but a number needs to be determined at this point to complete the budget. He added that the Retirement Board Staff has their own Schedule of Benefits and Working Conditions Policy. It is

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procedural for the Board to estimate a COLA increase and then move up or down once the contracts have settled.

Motion to approve a 2% COLA increase effective July 1, 2018, for Board Office Staff made by Ms. Barrett; Seconded by Mr. Coughlin.

Unanimously voted by roll-call:

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

Section II: Executive Session:

Pursuant to MGL Chapter 30A, Section 21 (a)(3) and (5), the Board will enter into executive session to discuss ongoing litigation.

Roll-call voted at 8:35 a.m. to enter into executive session:

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

The Board will re-enter the regular meeting following executive session.

The Board re-entered the regular meeting by roll-call vote at 8:40 a.m.

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

PERAC MEMOS:

Memo #28/2017: Selection of Fifth Member and Board Employees

Memo #29/2017: Vendor Disclosures

Section III: Membership:

New Hires:

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Town:

- 9% Hampton, Jason, Group 1, Laborer
Perm. Full-time: \$757.38 weekly
Start Date: September 25, 2017
- 9% Wilson-Medeiros, James, Group 1, Custodian
Perm. Full-time: \$787.35 weekly
Start Date: September 11, 2017

School:

- 9% Beatty, Michelle, Group 1, CVTE Instructional Aide
Perm. Full-time: \$693.44 bi-weekly
Start Date: August 29, 2017
- 9% Correira, James, Group 1, Custodian
Perm. Full-time: \$1,639.00 bi-weekly
Start Date: August 21, 2017
- 9% Fitzpatrick, Nicole, Group 1, Paraeducator
Perm. Full-time: \$899.41 bi-weekly
Start Date: September 13, 2017
- 9% LeGeyt, Carrie, Group 1, Behavior Analyst
Perm. Full-time: \$3,190.91 bi-weekly
Start Date: August 30, 2017
- 9% Ruxton, Christopher, Group 1, Paraeducator
Perm. Full-time: \$799.69 bi-weekly
Start Date: September 5, 2017

Motion to accept Town and School New Hires made by Mr. Coughlin; Seconded by Mr. Webber.

Unanimously voted by roll-call:

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

Transfers:

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Town:

Lindberg, Jill, Group 1, Administrative Secretary
Ten (10) Months Creditable Service (7/5/2016-5/23/2017)
Total Transfer to Barnstable County Retirement Board: \$3,444.95

Motion to approve Town Transfer made by Mr. Webber; Seconded by Mr. Coughlin.

Unanimously voted by roll-call:

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

Retirements:

Town:

Putney, Gerard, F., Group 1, Pumping Station Operator
Twelve (12) Years, Two (2) Months
Superannuation option: c
Retirement Date September 7, 2017

School:

Lynch, John, group 1, Custodian
Nineteen (19) Years Creditable Service
Superannuation option: b
Retirement Date: September 15, 2017

Correa, Lana, J., Group 1, Literacy Paraprofessional
Twelve (12) Years Creditable Service
Superannuation option b
Retirement Date: August 30, 2017

Motion to approve Town and School Retirements made by Mr. Coughlin; Seconded by Mr. Webber.

Unanimously voted by roll-call:

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

Investments:

Mr. Tranghese told the Board that the two High Yield finalists, Columbia and Lord Abbett, would be interviewed this morning. Columbia would be first and Lord Abbett would interview second.

Mr. Tranghese gave the Board copies of the October 23, 2017, Investment Meeting proposed agenda. This meeting will begin at 8:30 a.m. at RhumbLine Advisers in Boston. The meeting will move to Wellington Management for lunchtime and wrap up at Westfield Capital Management.

Mr. Tranghese then asked the Board if it would be possible to schedule the November and December 2017, meetings. The Board decided on the following: November 17, 2017, and December 15, 2017. Mr. Tranghese told the Board he will schedule the remaining investment companies not in attendance on 10/23/2017, to attend one of the last two scheduled meetings in 2017, to give their annual investment update.

Columbia Institutional High Yield Fixed Income:

Steven Snyder, Head of U.S. Institutional Distribution and Chris Jorel, CFA, VP and Client Portfolio Manager both entered the meeting and introduced themselves.

Mr. Snyder thanked the Board for inviting them in to interview. He told the Board that Columbia has an office on Franklin Street in Boston, and that they were thrilled to be at the meeting. He gave the Board a copy of the asset class organizational chart and explained that employees of the firm are shareholders of Ameriprise equity shares, which is tied directly to performance. Mr. Snyder told the Board that as of June 30, 2017, the firm had \$474.2 billion in Global Assets Under Management. He added that they are a client based firm with the goal to provide thoughtful, proactive service, and a dedicated point of contact for clients to reach at any time. Their Relationship Managers have, on average, more than 27, years of investment industry experience. He told the Board that at this time they have no relationship with the PRIM Board but do have four Massachusetts Public Institutional Clients with approx. 400 million in assets.

Chris Jorel took over the conversation informing the Board that Columbia Institutional High Yield Fixed Income has a deep and stable team of experienced portfolio managers, traders, and analysts responsible for over \$17.8 billion in high-yield assets under management as of August 31, 2017. He continued, informing the Board that credit selection is paramount, they seek to maximize return per unit of risk, resulting in reduced volatility of returns and they combine a bottom-up and top-down approach to pursue strong risk-adjusted returns through varying market environments. He added that they have an excellent long-term historical track record. Mr. Jorel told the Board that the High Yield Team manages a broad array of strategies, which helps them better identify the market and credit trends important for tactical portfolio execution.

Mr. Kelley asked what their cash position is.

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Mr. Jorel answered between 2-4%.

Mr. Kelley asked what the average coupon was.

Mr. Jorel stated that the average yield on market is 5 ½ %, the coupon is probably 6-6 ½ % depending on the credit quality.

Mr. Jorel gave the Board a brief overview of the research process, the relative rating system, portfolio positioning, and risk management. He concluded the interview reviewing the Standard Fee Schedule. He informed the Board that the fees for this specific vehicle are non-negotiable.

The Board Thanked Mr. Snyder and Mr. Jorel and they left the meeting.

Mr. Duhamel left the meeting via speakerphone.

Lord Abbett:

Gregory Balewicz, Director, Institutional Investor Services and Brian Arsenault, Investment Strategist, Leveraged Credit, entered the meeting and introduced themselves.

Mr. Balewicz told the Board that he was excited to be at the meeting and that he would be responsible for the account if selected. He went on to say that Lord Abbett is a private partner established in 1929, with an organizational structure of 161 Investment Professionals with an average of 18 years industry experience. The firm delivers superior long-term investment results having \$149 billion in assets under management including \$800 million from current and former partners, employees, and their families. He stated that the firm is a pioneer for high yield with emphasis on credit research that very few managers are able to compete with. He added that they have many years of experience with MACRS and PERAC and are familiar with Chapter 68. He told the Board Mr. Arsenault would share the details of the investment teams.

Mr. Arsenault gave a brief overview of the Leveraged Credit Investment Team noting that there is no bias to the strategy, the team is comfortable moving up and down the credit spectrum using a top down approach. He added that the top down view guides portfolio credit quality distribution, industry positioning and overall risk profile. In the macro environment, identification of macro trends enhances bottoms up credit research. There is ongoing collaboration across equity and fixed income teams to improve market insight. In addition, formal strategy meetings are held to discuss and debate key issues.

Mr. Arsenault explained that proprietary valuation models are used to assign a relative value score for all corporate bonds and loans providing metrics to identify relative value across credits, as well as within an issuers capital structure. He went on to review the Firms Quantitative Risk Reporting and Portfolio Construction Goals. Mr. Arsenault told the Board that the Firm has had a strong performance relative to their peers at 13.16% as of June 30, 2017, +1.66% vs. the eVestment Category Average at 11.5%.

The Board thanked Mr. Balewicz and Mr. Arsenault and they left the meeting.

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There was Board discussion regarding the information provided at each interview.

Mr. Webber asked for Mr. Tranghese's recommendation.

Mr. Tranghese stated that he would fully endorse either.

There was further discussion regarding the size of each firm team, location and strategies.

Motion to accept Columbia Threadneedle Institutional High Yield Fixed Income Fund replacing Invesco High Yield Fund made by Mr. Webber; Seconded by Mr. Coughlin. Unanimously voted.

Next Meeting:

Monday, October 23, 2017 Boston MA-Investment Meeting

Friday, October 27, 2017 Regular Meeting

Adjournment:

Motion made to adjourn at 10:28 a.m. by Mr. Webber; Seconded by Mr. Coughlin. Unanimously voted.

Respectfully submitted,

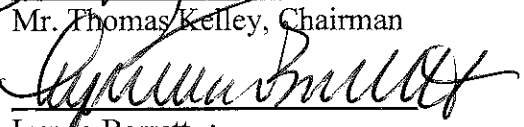


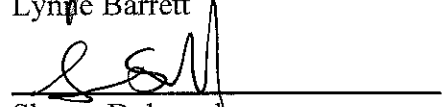
Karry Barros
Assistant Director

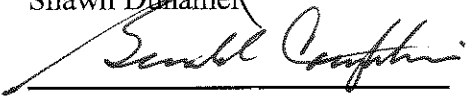
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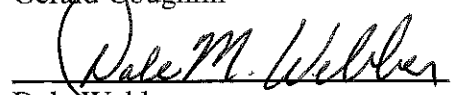
Plymouth Retirement Board:


Mr. Thomas Kelley, Chairman


Lynne Barrett


Shawn Duhamel


Gerald Coughlin


Dale Webber

October 27, 2017
Dated