

PLYMOUTH RETIREMENT BOARD

Friday, December 16, 2016

8:05 a.m.

10 Cordage Park Circle, Suite 240

Plymouth MA 02360

Chairman Kelley called the meeting to order at 8:05 a.m. in the conference room of the Plymouth Retirement Office. Present Board members were Lynne Barrett, Gerald Coughlin, and Dale Webber. Also present were Attorney Michael Sacco, Tony Tranghese from FIA, Wendy Cherry, and Karry Barros. Shawn Duhamel arrived at 8:25 a.m.

Section I: Regular Business:

Minutes:

Minutes of October 28, 2016	Regular Meeting
Minutes of November 18, 2016	Executive Session
Minutes of November 18, 2016	Regular Meeting

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

Warrants:

Warrant #10 Dated October 31, 2016	\$ 6,741,563.73 Final
Warrant #11 Dated November 30, 2016	\$ 1,658,229.79 Partial
Warrant #12 Dated December 31, 2016	\$ 31,291.54 Partial
Warrant # 1 Dated January 31, 2017	\$ 3,873.13 Partial

Trial Balance as of October 31, 2016	\$152,896,068.66
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Motion to approve warrants made by Mr. Webber; Seconded by Mr. Coughlin. Unanimously voted.

Public Comment:

Chairman Kelley told the Board that he was very excited to hear that Ms. Barrett added to the budget message a recommendation to have 1% of yearly payroll added to the OPEB Fund annually. This will still need to be approved at Town Meeting but Chairman Kelley thinks it is a great suggestion.

PERAC MEMOS:

Memo #27/2016: Tobacco Company List

Third Party Monitoring Contract Renewal:

The Board discussed extending the existing contract term consistent with the recent amendment to Section 23B for Scott & Scott. The extension would cover the period of January 27, 2012 - January 27, 2019.

Motion to extend the contract term for Scott & Scott consistent with the recent amendment to Section 23B for the period covering January 27, 2012- January 27, 2019, subject to Counsel approval of documents made by Ms. Barrett; Seconded by Mr. Webber. Unanimously voted.

Section II: Membership

Hearing Pursuant to M.G.L. c.32 sec.15(4) &16(1)

Attorney Sacco told the Board that Lynda Scolamiero, former Health Department Administrative Assistant, was convicted of larceny over \$250.00, of municipal funds. Ms. Scolamiero has sent in a letter acknowledging she is in violation of Section 15(4). Attorney Sacco stated that the evidence is clear and the Board has all court documents related to her conviction. He recommended the Board take a vote to refund Ms. Scolamiero her deductions less any interest accrued. Due to her violation of Section 15(4), her membership is to be rescinded.

Motion to find Lynda Scolamiero's criminal convictions are in violation of the provisions of Section 15(4), therefore her membership in the System is to be rescinded and she shall be issued a refund of her accumulated deductions less any interest accrued on her account made by Ms. Barrett; Seconded by Mr. Coughlin. Unanimously voted.

Attorney Sacco stated that a letter will need to be sent to Ms. Scolamiero within 15 days informing her of the Boards findings and decision signed by the Chairman and certified by the Executive Director.

Section 91 Excess Earnings Hearings

Michael Daley:

Attorney Sacco told the Board that Mr. Daley was sent notice of this hearing and through his Counsel, Attorney Poser, respectfully declined to participate in the process suggesting that the Board is wrong to consider other years of earning. Attorney Sacco explained that the Board is not executing on a judgement, Mr. Daley refused to participate and DALA said that the Board can withhold up to \$10,000.00, from his pension yearly based on his excess earnings in the years of 2007-2010. The purpose of today's hearing is to affirm the previous excess earnings amount of \$350,927.00 (2007-2010) and to proceed in looking into earnings for calendar years 2011-2015, which Mr. Daley has declined to participate in. The Board will have to send Public Records Requests for the earnings details for the years of 2011-2015.

Motion to affirm previous finding of excess earnings for Mr. Daley in the amount of \$350,927.00, for the calendar years of 2007-2010, made by Mr. Webber; Seconded by Mr. Coughlin. Unanimously voted.

Motion to proceed in looking into Mr. Daley's earnings for calendar years 2011-2015, by directing the staff to embark on the task of going on to Mr. Daley's website and sending Public Records Requests to all Massachusetts Public Clients he does business with made by Mr. Webber; Seconded by Ms. Barrett. Unanimously voted.

Robert Pomeroy:

Attorney Sacco told the Board that there is a DALA decision pending at CRAB in the Board's favor but the issue has to do with retained earnings. Mr. Pomeroy's position is that his company has retained earnings that have yet to be distributed therefore they do not count. The issue is before CRAB and Mr. Pomeroy had his Counsel, Attorney Quirk, ask CRAB to issue a Stay Order to stop this hearing today. CRAB's reply was that they would expedite the case before them but they do not have jurisdiction to Stay the Retirement Board's attempt to proceed. Mr. Pomeroy also threatened the Board with litigation and restraining orders. Attorney Sacco stated that he replied to Attorney Quirk and there has been no action taken yet. Attorney Sacco told the Board that the years of excess earnings in question for Mr. Pomeroy are 2008, 2010, 2011, 2012, 2014, 2015, and 2016. He added that the Public Records Requests in this case would be more challenging due to Mr. Pomeroy not listing his clients on his website. Attorney Sacco suggested that the Board send a letter out to all Massachusetts Municipalities requesting earnings records relating to Pomeroy Resources Inc. or BadgeQuest.

Chairman Kelley stated that Mr. Pomeroy sends in his Annual Affidavit each year stating he is exempt from reporting his earnings from Massachusetts Municipalities.

Motion to authorize the staff to send Public Records Requests to all Massachusetts Municipalities requesting earnings record details for Pomeroy Resources Inc. and BadgeQuest made by Mr. Coughlin; Seconded by Mr. Webber.

Mr. Duhamel moved for discussion. Mr. Duhamel expressed some concern in sending Public Records Requests to all Massachusetts Municipalities. He stated he is not comfortable sending the request to all however; if there are particular municipalities we are aware of, that is different.

Chairman Kelley told Mr. Duhamel that he understands his position but it is important for the Board to follow this process through. He added that Mr. Pomeroy has taken the stand that he is exempt from the law which applies to all retirees, this cannot be tolerated. Chairman Kelley reminded the Board that Mr. Pomeroy has been given ample opportunity to provide the information requested and cooperate with the Board, instead he has threatened the Board and refuses to comply.

Attorney Sacco stated that he understands Mr. Duhamel's position as well however; Mr. Daley was successful in stopping our subpoena and the judge instructed the Board to get the information via Public Records Requests. He added that it is important to protect the Board from being criticized for not doing everything that could be done at the appropriate time. Attorney Sacco told the Board that if the majority of the Board agrees with Mr. Duhamel then the Board

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can go back to the Public Record Requests already submitted and make another request for the years in question.

Chairman Kelley stated he is in support of making requests to all municipalities.

Ms. Barrett stated she agrees with Mr. Kelley and Attorney Sacco to send out one blanket request to all Massachusetts Municipalities.

Mr. Coughlin stated that it is the Board's fiduciary responsibility to follow this process through, he is in agreement with Attorney Sacco, Ms. Barrett, and Chairman Kelley.

Mr. Duhamel explained to the Board that he is not comfortable making a policy based on one individual. He stated that he believes, if the Board knows a retiree is working for a particular community, then it is our fiduciary responsibility to make the request. He is not comfortable as someone who represents retirees making a blanket request as suggested.

Mr. Webber asked Mr. Duhamel if his concern was with the mechanics of the request or the perception.

Mr. Duhamel replied, "Both."

Mr. Webber told the Board that he has associates in the western part of the state that Pomeroy Resources Inc. provide services for. He added that he understands Mr. Duhamel's position however; moving forward it is important that the Board look at each individual on a case to case basis.

Mr. Coughlin repeated the motion to authorize the staff to send Public Records Requests to all Massachusetts Municipalities requesting earnings record details for Pomeroy Resources Inc. and BadgeQuest for the years in question; Seconded by Mr. Webber. Chairman Kelley and Ms. Barrett approved. Mr. Duhamel opposed. Motion carried by majority vote.

Section III: Executive Session:

Pursuant to MGL Chapter 30A, Section 21 (a)(1). The Board will enter into executive session to hold an Evidentiary Hearing on the Involuntary Accidental Disability Application of Laura May.

Pursuant to MGL Chapter 30A, Section 21 (a)(3), the Board will enter into executive session to discuss the Antonio Gomes matter.

Pursuant to MGL Chapter 30A, Section 21 (a)(3), the Board will enter into executive session to hear from its Attorney regarding ongoing litigation.

Roll-call voted at 8:55 a.m. to enter into executive session:

Mr. Kelley	yes
Ms. Barrett	yes

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

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

The Board re-entered the regular meeting by roll-call vote at 9:30 a.m.

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

Section II: Membership Continued:

Refunds:

Interest Rate on Refunds of deductions taken in error:

Attorney Sacco told the Board that he put together a proposed regulation regarding the interest rate to be used when refunding deductions taken in error or collecting deductions that were not taken due to an error. Attorney Sacco told the Board it is their decision but he suggests the Board use the 10 Year Treasury Rate because it is tied to an Index and is available on January 1st of each year.

Motion to adopt proposed regulation using the 10 Year Treasury Rate as the rate used to calculate interest on refunds of deductions taken in error as well as make-ups of deductions not taken in error made by Ms. Barrett; Seconded by Mr. Coughlin.

Mr. Webber moved for discussion. Mr. Webber asked if there is a policy already in place.

Ms. Cherry told the Board that there is only a draft in place until the Board takes a vote.

Mr. Webber asked if there were other options for the Board to choose.

Attorney Sacco explained to the Board that they are able to choose any interest rate they want. He added that it is his opinion that choosing a specific number is not the best way to go, by using the 10 Year Treasury rate, a sampling of a ten year period is used which best represents the highs and lows of the market.

Mr. Webber told the Board that his questions have been answered and he is looking to others for a recommendation.

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Mr. Tranghese told the Board that the 10 Year Treasury Rate is the most common and the best index to use in his opinion.

Ms. Barrett repeated the motion to adopt proposed regulation using the 10 Year Treasury Rate to calculate interest on refunds of deductions taken in error and make-ups of deductions not taken in error; Seconded by Mr. Coughlin. Unanimously voted.

Town:

Dupras, Bradford, Group 1, Laborer
Three (3) Months Creditable Service (8/1/2016-11/4/2016)
Total Refund Including FWT: \$990.60

Motion to approve Town Refund made by Ms. Barrett; Seconded by Mr. Coughlin. Unanimously voted.

New Hires:

Town:

- 9% Axford, Tory, Group 1, Library Technician
Perm. Full-time: \$582.66 weekly
Start Date: December 5, 2016
- 5% DeManche, David, Group 1, Director of Community Development
Perm. Full-time: \$1,276.33 weekly
Start Date: November 28, 2016
- 9% Johnson, Kimberley, Group 1, Inspector/Lister
Perm. Full-time: \$897.80 weekly
Start Date: December 5, 2016
- 9% Lewis, Krista, Group 1, Administrative Assistant
Perm. Full-time: \$765.63 weekly
Start Date: December 5, 2016

School:

- 9% Ferrini, Andrea, Group 1, Paraprofessional
Perm. Full-time: \$788.47 bi-weekly
Start Date: November 14, 2016
- 9% Mento, Heather, Group 1, Paraprofessional
Perm. Full-time: \$734.89 bi-weekly
Start Date: November 14, 2016

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Motion to approve Town and School New Hires made by Ms. Barrett; Seconded by Mr. Coughlin. Unanimously voted.

Retirements:

Town:

Albani, Sally, J., Group 1, Library Technician
Twenty (20) years and one (1) months service
Superannuation retirement, opt c
Retirement Date: December 31, 2016

School:

Turner, Pamela, Group 1, Paraprofessional
Twenty-seven (27) years and seven (7) months service
Superannuation retirement opt b
Retirement Date: December 23, 2016

Motion to accept Town and School Retirements made by Ms. Barrett; Seconded by Mr. Coughlin. Unanimously voted.

3(8)(c) Liability:

Town:

David DeManche, Group 1, Director of Community Development, has requested a buyback of full-time CETA service while employed by the Town of Hopedale, for the period of 1978 – 1979.

Motion to deny 3(8)(c) Liability for Mr. DeManche made by Mr. Duhamel; Seconded by Mr. Coughlin. Unanimously voted.

School:

Tricia Liskov is a former part-time Substitute/Security Receptionist. She was not eligible for membership in the Plymouth Retirement System. Ms. Liskov is now a member of the Barnstable County Retirement Association. She would like to purchase her prior service from September 28, 2009 to June 30, 2010. If proper deductions and interest are deposited, will the Board accept five (5) months 3(8)(c) liability for Ms. Liskov?

Motion to approve 3(8)(c) Liability for Ms. Liskov if the proper deductions and interest are deposited made by Mr. Duhamel; Seconded by Mr. Coughlin. Unanimously voted.

Transfers:

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Town:

Ritchie, Nancy, Group 1, Inspector/Lister
Two (2) Years Two (2) Months Creditable Service (6/18/2014-9/7/2016)
Total Transfer to Barnstable County Retirement Board: \$9,907.62

Motion to accept Town Transfer made by Ms. Barrett; Seconded by Mr. Coughlin. Unanimously voted.

Next Meeting:

January 20, 2016

Investments:

Franklin Templeton International Foreign Fund:

Sandi Schoren-Testa, Senior Vice President & Relationship Manager and Andrew Burkly, CFA-Institutional Portfolio Manager both entered the meeting.

Ms. Schoren-Testa told the Board that there have been no changes to their process in the last 12 months but they had an Analyst depart at their request and a Co-President depart whom had no affiliation with the Board's portfolio. She stated that she feels things are looking up and turned the performance report over to Mr. Burkly.

Mr. Burkly reviewed performance stating that Year-to-Date (through November 30, 2016) the Fund underperformed at -.87% vs. MSCI AC World ex USA Index at 2.36%. He explained that BREXIT was a real challenge to performance earlier in the year however; they have seen a big improvement over the past few months.

Mr. Burkly gave a summary review of sector allocation stating that the largest weight is in Financials which is down from the beginning of the year. He added that interest rates are moving higher and that Market movement after the election accelerated. He told the Board that there is a lot of value in Energy this year, it has been the most positive and they also see a good opportunity in Health Care.

Mr. Burkly concluded by discussing the portfolio's geographic allocation. He told the Board that although 60% domicile in Europe, business is done one-third in U.S., one-third in Europe and one-third in Asia, adding that where the company is based is not necessarily where it does business. Two-thirds of these companies are based in Europe. Mr. Burkly also told the Board that the plan is underweight in Japan as it is tough to get a lot of exposure there.

The Board thanked both Ms. Schoren-Testa and Mr. Burkly and they left the meeting.

Intercontinental REIF IV-Via Conference Call:

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A call was placed to Bart Weinstein, Institutional Services at 10:00 a.m. Mr. Weinstein was not available so Mr. Tranghese left him a message that he would be in touch at a later date.

Fiduciary Investment Advisors:

Tony Tranghese reviewed the Preliminary Performance Flash Report stating the Fund was at \$152,738,284 as of October 31, 2016. The Year-to-Date performance through October 31, 2016, was 4.6% vs. the Blended Benchmark of 5.7%, underperforming by 1.1%. Mr. Tranghese told the Board that interest rates have risen quite dramatically since the election and the International Market is down. He reminded the Board that back in June when BREXIT occurred, the Board held off a short time with the initial proposed investment of International Equities as it applied to the FY/2017 Appropriation. He added that U.S. Equity has outperformed International Equity through October 31, 2016. Mr. Tranghese stated that they are still waiting on PRIT's Statement to get the November 2016 performance.

Mr. Duhamel asked Mr. Tranghese if it is possible for us to end the year slightly north of our Assumption.

Mr. Tranghese told the Board it is possible and, likely we could be close, but it will depend on what happens through the end of the year. He added that collectively, the year turned out pretty good.

Mr. Duhamel left the meeting at 10:10 a.m.

BlackRock Global Allocation Fund:

Mitch King, Institutional Client Business and Meghan Colarusso, CFA, Product Strategist both entered the meeting.

Chairman Kelley stated that he would like Mr. King to update the Board of any changes in the Firm or strategy changes.

Mr. King told the Board that there have been no changes.

Ms. Colarusso told the Board that their mission is to provide a rate of return competitive with that of global stocks at a lower level of volatility over a full market cycle. Ms. Colarusso then reviewed performance through November 30, 2016. She stated that Year-to-Date the Fund was at 3.07%, underperforming the Reference Benchmark at 4.76%. She explained that the performance drivers at the beginning of the year were that U.S. Equities outperformed Non-U.S. Equities and the interest rates fell. In the second half of the year they saw that U.S. stocks were not the best performing and interest rates were climbing. She added that the Fund has done well during the latter part of the year. Ms. Colarusso mentioned some key portfolio positioning changes that took place year-to-date stating that U.S. Equities went up from 27% to 28% as additions in consumer discretionary and financials were partially offset by reductions in consumer staples and energy, Non-U.S. Equities went down from 31% to 29% as the team reduced risk across regions, and Cash went down from 19% to 12% as the team found opportunities to purchase securities at

better prices early in the year, and then took profits in more recent months. She added that Cash really worked well for the Fund.

The Board thanked Mr. King and Ms. Colarusso and they left the meeting.

Wellington Management Co.: U.S. Research Equity/Core Bond/Opportunistic Investment

Leigh Crosby, CFA, Asst. Vice President, Meredith Joly, Portfolio Specialist, and Saul Henry, Investment Director, Multi-Asset Strategies all entered the meeting.

Ms. Crosby told the Board that there are no Firm changes to report. She stated that each day, a Morning Meeting is held at the Firm, during which time Investors from around the world meet to discuss what is happening globally. She also extended an invitation for the Board to attend one of these Morning Meetings at any time.

Ms. Crosby told the Board that the U.S. Research Equity objective seeks to consistently outperform the S&P 500 Index over three to five year periods. Wellington Management's Global Industry Analysts emphasis is on stock selection. They take a team approach ensuring deep coverage across a broad universe. The portfolio construction is largely focused on industry weights close to the benchmark as stock selection drives performance.

Ms. Crosby reviewed performance stating that things have been pretty challenging. Year-to-Date (through November 30, 2016) the fund was at 7.8% vs. the S&P 500 Benchmark of 9.8%, underperforming by 2%. She added that low quality names outperformed high quality names leaving high quality companies unrewarded.

Ms. Joly told the Board that the Core Bond Strategy objective seeks to consistently outperform the broad fixed income market as represented by Bloomberg Barclays US Aggregate Bond Index with equivalent or lower levels of risk. She stated that the Team believes a diversity of high quality investment ideas managed in a risk-controlled framework should lead to superior investment results. Ms. Joly reviewed performance through November 30, 2016. She stated that Year-to-date the Fund is at 3.75% vs. Bloomberg Barclays U.S. Aggregate of 2.50%, outperforming the benchmark by 1.25%. She added that as rates have gone up, there has been some improvement.

Mr. Tranghese asked if there have been any allocation changes in the portfolio in the last six weeks.

Ms. Joly stated that there has been no reallocations up to now but they will be looking into changes starting in the new year.

Mr. Henry reviewed the WTC-CIF Opportunistic Investment performance through November 30, 2016. Year-to-Date the Fund was at 5.9% vs. Wellington Opportunistic Index of 4.9%, outperforming the benchmark by 1%.

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Mr. Henry told the Board they have an experienced investment team with an uncommon perspective using a contrarian strategy with focus on exploiting extremes in asset values and underappreciated structural change. He explained that they are investing in India which has a new government with an active reform agenda that should increase productivity and income growth. He added that India has a population of 1.2 billion and with their new goods and service reform in place, they are seeing significant progress. He spoke briefly about Automotive Technology stating there has been a structural increase related to driver assistance, safety features, and efficiency. Looking back just three years ago, only luxury vehicles were equipped with these types of features, now, they are standard features. He concluded by stating that post-election, two areas that will be looked into are Defense and Infrastructure.

The Board thanked Ms. Crosby, Ms. Joly, and Mr. Henry and they left the meeting.

Boston Partners Large Cap Value Fund:

Derek Dolan, CFA, Relationship Manager and John Forelli, CFA, Senior Portfolio Analyst entered the meeting.

Mr. Dolan told the Board that Boston Partners is a Value Manager with \$78 Billion in assets under management holding \$29,097 million in the Large Cap Value piece. He added that the company rebranded from Robeko to Boston Partners in the third quarter 2016.

Mr. Dolan reviewed performance through November 30, 2016. He told the Board that the year started off defensive but the fourth quarter looks good. He added that the month of November looks very good. For the third quarter 2016, the Fund was at 4.34% vs. the Russell 1000 Value Index at 3.48%, outperforming the benchmark by .86%. Year-to-Date the Fund was at 12.53% vs. 14.48%, underperforming the benchmark by -1.95%. Mr. Dolan told the Board that Boston Partners has doubled the Board's investment since inception. He explained to the Board that they use a "Three Circle" Stock Selection Criteria. They look for low valuation, strong fundamentals, and business momentum.

Mr. Dolan reviewed sector weights briefly mentioning that the Health Care Sector has not done well recently. He stated that there is very little exposure in Utilities and REITs however; Finance, Energy, and Technology look very attractive at this time. He concluded by reminding the Board that Large Cap Equity has preserved capital and compounded returns for favorable 10-Year Performance.

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

Mr. Traghese recommended that the Board issue a Small Cap RFP in January of 2017.

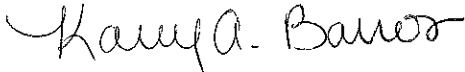
Motion to issue Small Cap RFP in January 2017, and have Mr. Traghese prepare a list of respondents and summary for the Board's review made by Mr. Webber; Seconded by Ms. Barrett. Unanimously voted.

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Adjourn:

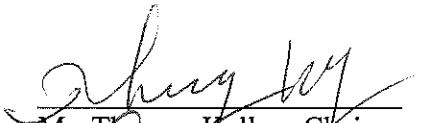
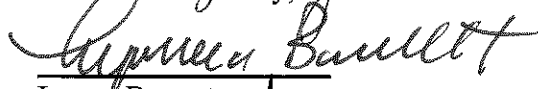
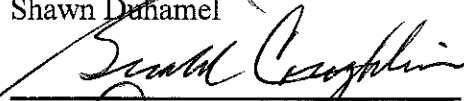

Motion to adjourn at 11:21 a.m. made by Mr. Webber; Seconded by Ms. Barrett. Unanimously voted.

Respectfully submitted,



Karry A. Barros
Assistant Director

Plymouth Retirement Board:


Mr. Thomas Kelley, Chairman
Lynne Barrett
Shawn Duhamel
Gerald Coughlin
Dale Webber

January 20, 2017

Dated