

**PLYMOUTH RETIREMENT BOARD**  
**Friday, December 20, 2019**  
**8:37 a.m.**  
**212 South Meadow Road, Unit #3**  
**Plymouth MA 02360**

Chairman Thomas Kelley called the meeting to order at 8:37 a.m. in the conference room of the Plymouth Retirement Office. Present Board Members were Gerald Coughlin, Shawn Duhamel, and Dale Webber. Also present were Attorney Michael Sacco, Wendy Cherry, and Karry Barros. Patrick Flaherty, Selectman for the Town of Plymouth, joined the meeting at 8:38 a.m. Lynne Barrett was absent.

**Section I: Regular Business**

**Warrants:**

Warrant #10 Dated October 31, 2019	\$	3,149,110.11 Final
Warrant #11 Dated November 30, 2019	\$	2,842,380.94 Partial
Warrant #12 Dated December 31, 2019	\$	314,163.57 Partial
Warrant #1 Dated January 31, 2020	\$	6,000.00 Partial

Trial Balance as of October 31, 2019: \$187,641,341.04

Motion to approve Warrants as listed made by Mr. Coughlin; Seconded by Mr. Duhamel. Unanimously voted.

Chairman Kelley asked Ms. Cherry to explain the Warrants to Mr. Flaherty.

Ms. Cherry explained that the Warrants are made up of re-occurring monthly expenses. She told Mr. Flaherty that retiree payroll is approximately \$1.6 Million per month and that our Investment Managers invoice quarterly so some months the Warrant will be higher than usual.

**Section II: Membership:**

Timothy O'Hara, Plymouth Police Officer joined the meeting at 8:42 a.m.

Plymouth Police Officer Timothy O'Hara introduced himself to the Board. He told the Board that he is a Detective in the Narcotics Division and he came to the meeting today to discuss his

Intermittent Police Service prior to membership. He explained that when he was appointed to the position of Intermittent Police Officer, he was denied access to membership in the Plymouth Retirement System. He told the Board he has been dealing with this issue his entire career. Now that he is retiring on January 4, 2020, and the Gomes Decision has been handed down, he plans to purchase his Intermittent Service but has a conflict with the payroll records the Town provided to the Retirement Office for the year 1989. He was hired as a Permanent Intermittent in 1987, while he was working at the Pilgrim Power Plant. He worked rarely as an Intermittent Police Officer in 1987, and 1988, and then in 1989, he left his position at the Power Plant and worked more for the Town. He told the Board that in 1989 he worked mostly details. He showed the Board the "Red Book" for 1989 and explained that the Police Department uses a "Red Book" each year to track Police Details worked. He asked permission to go through the "Red Book" for 1989, because the Town's payroll records show he earned \$16,941.75 in 1989, but he knows that the bulk of that work was working Police Details which should not be included in his buy back calculation. He informed the Board that he has reviewed the "Red Book" many times and believes the salary that should be used in his calculation for 1989, is \$5,500.00 and not \$16,941.75. He stated that there is a record of every shift worked and it correlates with the "Red Book." He requested the Board consider the information in the "Red Book" and allow him to pay the reduced amount of \$5,500.00 in his buy back calculation.

Mr. Webber asked who maintained the "Red Books."

Mr. O'Hara stated that the books sit in the Union Desk, the Shift Commander or the Union filled the work. He added that the "Red Book" is the only evidence he has to offer, he has worked long and hard for the town and his denial of membership has followed him all these years.

Attorney Sacco told the Board he does not think there will be a problem accepting the ledger, but we are still waiting for PERAC to issue a memo. He added that Detail work is not regular compensation and should not be included but suggested Mr. O'Hara pay the full amount previously calculated and if need be, he can be refunded any overpayment with interest. Until PERAC says we can exclude or not, the Board does not have the authority to do so.

Chairman Kelley explained the Gomes Case to Mr. Flaherty. He added that the Board is unable to make a decision until PERAC issues a memo.

Attorney Sacco recommended that Mr. O'Hara pay the full amount calculated. He stated that there should be a memo released by PERAC within sixty (60) days, if PERAC allows for the Detail pay to be removed then he will be refunded any overpayment. Attorney Sacco asked Mr. O'Hara to sign the documents he provided to the Board in order to certify he has reviewed the documents and they are accurate.

Mr. O'Hara told the Board that he gets very upset and frustrated discussing this issue. There have been mistakes made. He admitted making some mistakes himself. He explained to the Board that he is going to transfer money from his wife's retirement in order to purchase the time and asked if he could have an extension to repay if the funds do not transfer before January 4, 2020.

Retirement Board Meeting Minutes  
December 20, 2019

Attorney Sacco told Mr. O'Hara that he must make payment before his retirement date. He added that if necessary, Mr. O'Hara could rescind his retirement application if timing was an issue and change his retirement to a later date.

Motion to have Mr. O'Hara pay the full amount of \$10,168.76 and accept the records he provided to the Board that may be used to calculate a refund of any overpayment with the approval of PERAC made by Mr. Webber; Seconded by Mr. Duhamel. Unanimously voted.

Mr. O'Hara left the meeting at 9:07 a.m.

**Section I: Regular Business Continued:**

**Public Comment:**

Mr. Webber told the Board that he wanted to alert them about the many issues going on with the Town regarding unsafe work conditions and, that he submitted fifteen (15) employee incident reports recently. He noted that employees have been exposed to asbestos in both the North Plymouth Fire Station and Justine Road in Manomet. There have been many meetings on the matter, both formal and informal. There are also grievance procedures taking place. He reminded the Board that the last time he brought similar issues before the Board was in 1998. The issue of unsafe work conditions is on-going, sensitive, and very serious. Unlike 1998, we now have social media and there have been newspapers calling for comments. In preparation of potential employee injuries resulting from unsafe work conditions, injury and incident reports have been submitted.

Mr. Duhamel thanked Mr. Webber for sharing this information and noted that he had seen something on social media.

Attorney Sacco asked Mr. Webber if any independent documentation is available.

Mr. Webber explained that lab tests show there was asbestos in the building and piping in the ground. He added that he has had some independent testing done and the Town is testing as well.

Chairman Kelley gave Mr. Flaherty a brief explanation of the disability process and the cost associated with it.

**New/Old Business:**

Mr. Webber asked Attorney Sacco if there has been a response from PERAC on the Mutual Aid letter sent to them.

Retirement Board Meeting Minutes  
December 20, 2019

Attorney Sacco answered that there has not been a response yet however, he was told it is in the works. He explained that it is the Boards intention to ensure that employees are covered. If there was an incident with no police involvement, it could be a gray area.

He added, if PERAC says the Town is covered, the issue will be resolved. He noted that he is not implying that Town Counsel is wrong, but we want to eliminate the possibility of someone not being covered.

Chairman Kelley stated that Section 4(k) would not have been added to the Statute if there was no purpose for it. He added that if PERAC's opinion is that the Town is covered under 4(j) then there is no issue.

Mr. Flaherty told the Board that he will not jump into the arena with an attorney, he has questions that he would like answered. He would like to have a full understanding before he decides. He expressed that he is not ready to jump into the issue now. He has not received answers to key questions such as, who makes up the committee under 4(k), how the practices are made up, and how the Town will be affected.

Attorney Sacco stated that the legislature would never enact a law without purpose. There is a reason for Section 4(k) to be there.

Mr. Flaherty told the Board that before he makes a decision, he needs to have all the information before him.

Attorney Sacco told the Board that Kevin Blanchette retired from his CEO role at the Worcester Regional Retirement Board but is staying on as Chairman. Attorney Sacco informed the Board that he has accepted the position as CEO for the Worcester Regional Retirement Board. He explained that he plans to retire in ten (10) years and this opportunity will help him to achieve that goal. He will be putting in a lot of time at Worcester Regional going forward but will continue working with his 54 clients whom he wants to keep happy. He expects that Chris Collins will take over his law practice when he retires. He added that Chris may begin to attend Plymouth Retirement Board meetings in the future as he prepares to take on a larger role at the Law Offices of Michael Sacco, P.C. Attorney Sacco has informed the Worcester Regional Board that he has two big cases he is litigating in Plymouth, Pomeroy and Daley, and they have expressed that they understand. January 6, 2020 is the start date for Attorney Sacco's CEO position.

Attorney Sacco left the meeting at 9:30 a.m.

**COLA Vote:**

Motion to set the FY/2021 COLA Vote Meeting date for January 31, 2020, made by Mr. Webber; Seconded by Mr. Duhamel. Unanimously voted.

**PERAC MEMO's:**

Retirement Board Meeting Minutes  
December 20, 2019

Memo #25/2019: New Fraud Prevention Poster

**Section II: Membership Continued:**

**New Hires:**

**Town:**

Rupert, Jill, Group 1, Dispatcher  
Perm. Full-time: \$783.23 weekly  
Start Date: December 17, 2019

**School:**

Admirand, Kevin, Group 1, Custodian  
Perm. Full-time: \$1,623.19 bi-weekly  
Start Date: November 26, 2019

Motion to accept Town and School New Hires made by Mr. Coughlin; Seconded by Mr. Duhamel. Unanimously voted.

**Transfers:**

**School:**

Amaral, John, Group 1, Supervisor of Attendance  
Twenty (20) Years, Five (5) Months Creditable Service (11/23/1998-3/29/2019)  
Total Transfer to MA Teachers' Retirement System: \$135,007.12

Motion to accept School Transfer as listed made by Mr. Coughlin; Seconded by Mr. Webber. Unanimously voted.

**Refunds:**

**School:**

Kelly, John, Group 1, Custodian  
Six (6) Years, Five (5) Months Creditable Service (5/6/2013-11/1/2019)  
Total Refund Including FWT: \$24,477.81

Motion to accept School Refund as listed made by Mr. Coughlin; Seconded by Mr. Webber. Unanimously voted.

**Buybacks:**

**Town:**

O'Hara, Timothy, Group 4, Police Detective, has requested to purchase Four (4) Years and Ten (10) Months of Intermittent Police Service (December 1, 1987 through October 3, 1992) with the Plymouth Police Department. Total amount of repayment with interest through January 31, 2020 is \$10,168.76. Total Deductions: \$8,083.20, Total Interest: \$2,085.56.

Voted earlier in the meeting.

**Retirements:**

**Town:**

Carpenter, James, D., Group 1, Local Inspector B  
Twenty-One (21) Years Creditable Service  
Superannuation Retirement, opt c  
Retirement Date: January 4, 2020

O'Hara, Timothy D., Group 4, Detective  
Thirty-Two (32) Years Creditable Service  
Superannuation Retirement, opt c  
Retirement Date: January 4, 2020

Walkden, Wayne E., Group 1, Facilities Manager  
Eleven (11) Years, Three (3) Months Creditable Service  
Superannuation Retirement, opt b  
Retirement Date: December 13, 2019

**School:**

Bisschop, Joanne M., Group 1, Cafeteria Worker  
Fourteen (14) Four Years (4) Months Creditable Service  
Superannuation Retirement, opt c  
Retirement Date: November 19, 2019

Cavallo, Brenda, A., Group 1, Paraeducator  
Fifteen (15) years, Seven (7) Months Creditable Service  
Superannuation Retirement, opt c  
Retirement Date: January 4, 2020

Patrician, Sandra A., Group 1, Cafeteria Team Leader  
Twenty-Three (23) Years, Two (2) Months Creditable Service  
Superannuation Retirement, opt c  
Retirement Date: December 13, 2019

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

**Section III: Investments:**

Anthony Tranghese from FIA joined the meeting at 9:35 a.m.

Mr. Tranghese introduced himself to Mr. Flaherty.

Mr. Tranghese requested the Board discuss their 2020, commitment for the Private Equity component of the portfolio. There was Board discussion.

Motion to commit \$4 Million to Private Equity Vintage Year 2020, made by Mr. Coughlin; Seconded by Mr. Duhamel. Unanimously voted.

Mr. Tranghese explained that Private Equity is a complicated asset class. The Board has chosen to do it along side of PRIT due to cost. He stated that PRIT has been very successful. Every year the Board makes a commitment and will see the benefit over the next five (5) to six (6) years. He added that the Board is seeing very good returns off their first investment.

Mr. Flaherty asked if PRIT makes the investments themselves.

Mr. Tranghese answered that they have a team as well as a consultant that work together.

Mr. Webber asked if Mr. Tranghese would spend a few minutes explaining the OPEB legislation to Mr. Flaherty.

Mr. Tranghese explained that a couple of years ago the Board was granted the authority to start the OPEB Fund. They chose a passive Manager named RhumbLine to manage the OPEB Fund. There is low cost of oversight and as it grows it will hit critical levels allowing a larger investment over time. This legislation was passed by Theresa Murray in an effort to relieve some of the burden of health care costs for the Town of Plymouth.

Mr. Tranghese passed out books with the evaluations of the finalists for the RFP issued for International Value. He also passed out books with the initial evaluations for the RFP issued for Large Cap Value.

**Aristotle:**

Aylon Ben Shlomo, CFA & Client Portfolio Manager and Keri Hepburn, Vice President joined the meeting and introduced themselves.

Ms. Hepburn told the Board that she and Mr. Ben Shlomo would be the team responsible for the account should the Board decide to hire Aristotle. Aristotle is an independent Firm with no debt on their balance sheet. They currently have ten (10) Massachusetts Public Fund clients with another in the process. They are a high-quality Firm that does a tremendous amount of due diligence. They hold eighty (80) to eighty-five (85) investments across three (3) strategies.

Mr. Ben Shlomo told the Board he lives in Los Angeles. He explained that Aristotle is a Global Research Firm with a seventeen (17) member team. All members of the team are equity owners in the business except for Jake Wamala; Jake joined the team only three months ago. The team studies the industry and business creating a culture of owner mentality. Mr. Ben Shlomo reviewed the Firm's philosophy and process.

Chairman Kelley asked Mr. Ben Shlomo his opinion on how BREXIT will affect the Markets.

Mr. Ben Shlomo responded that he does not know and tries not to know. He added that at Aristotle, they stay focused on what they do know and what they can control.

Mr. Flaherty left the meeting at 10:20 a.m.

Mr. Traghese asked the turnover rate of the portfolio.

Mr. Ben Shlomo's answer was 15%.

Mr. Traghese asked how currency comes into play.

Mr. Ben Shlomo stated that currency is not hedged. Each individual business is looked at.

Ms. Hepburn discussed the fee schedule noting that the Board qualifies for .49 bps which is in Class B (Founders), Value Equity Collective Trust.

Ms. Hepburn and Mr. Ben Shlomo thanked the Board and left the meeting at 10:30 a.m.

**RBC Polaris**

Ashley Hyotte and Andy Donahue joined the meeting and introduced themselves.



Retirement Board Meeting Minutes  
December 20, 2019

Ms. Hyotte told the Board that RBC has over \$350 Billion in Assets Under Management across the globe. They manage their client's money the way they see fit, there is very little input from their parent company. She told the Board that they are sub-advised by Polaris.

Bernard Horn Jr. is the President of Polaris Capital Management. RBC's office is located at 225 Franklin Street in Boston. Ms. Hyotte told the Board that they have a very non traditional team. They are strictly Value investors that seek superior returns and lower than benchmark risks. Their underlying belief is superior returns can be generated by purchasing the most undervalued streams of "free" Cash Flow. She explained that Cash Flow is a more reliable metric than earnings-based measures such as net income, earnings per share, EBITA, EBIT etc. Cash is also difficult to manipulate. They seek high, risk-adjusted, returns that exceed global cost of equity. They use three components, 7% real return plus 2% active management premium plus risk premia per country.

Mr. Donahue reviewed their three-step process of Fundamental Analysis. He added that their primary commitment is Fundamental Analysis as, this is going on twenty-eight (28) days of each month. RBC has a focus on downside protection. Their sell discipline: if free cash does not meet their conservative assumptions, the price appreciation has erased 2% premium, or there is emergence of a better investment opportunity.

Chairman Kelley asked what their volatility to Market is.

Ms. Hyotte answered, it is at Market.

Ms. Hyotte reviewed performance noting that nine (9) out of ten (10) years they have outperformed. They have performed well in both down and up markets.

Ms. Hyotte and Mr. Donahue thanked the Board and left the meeting at 10:50 a.m.

Chairman Kelley stated that the fees for Aristotle are very reasonable.

Mr. Traghese agreed with the Chairman adding that RBC Polaris are .95%.

Mr. Traghese gave the Board a brief summary of the interviews. He told the Board that he really liked RBC Polaris's Team. He noted that their structure is a bit fragmented and not ideal from a portfolio construction stand point. He told the Board that Aristotle has a really deep team with a nice approach. He added that Quality tends to go out of favor for longer periods of time but over the long run does a good job. Polaris was a better performer over ten (10) years but, with risk adjustment, they are about the same.

Motion to terminate Templeton and replace with Aristotle made by Mr. Duhamel; Seconded by Mr. Webber. Unanimously voted.

Mr. Traghese reviewed the list of respondents to the RFP issued for Large Cap Value. Boston Partners, currently on watch, contract is due to expire. There is a seven (7) year mandate for every Manager.

Retirement Board Meeting Minutes  
December 20, 2019

Mr. Tranghese reviewed all the Manager's rated "Highly Advantages" noting that Beutel, Goodman & Company is based in Canada and new to us.

He told the Board that Columbia has a strong strategy only buying companies with dividends. He added that Boston Partners was rated in the 47<sup>th</sup> percentile over the last ten (10) years.

Mr. Tranghese informed the Board that Aristotle and Beutel were the top performers.

Chairman Kelley suggested the Board bring in the top two performers.

Mr. Tranghese added that the Board should consider bringing in Boston Partners as well.

Mr. Duhamel asked if it would be wise to consider Aristotle or would there be too much risk in hiring them for more than one asset class.

Mr. Tranghese answered that this is the correct thought process, not having too many eggs in one basket. He noted, combined, it would represent 11% of the portfolio, not that much risk.

Motion to interview Aristotle, Beutel, and Boston Partners during the January 31, 2020, meeting made by Mr. Duhamel; Seconded by Mr. Coughlin. Unanimously voted.

**Next Meeting:**

January 31, 2020

**Adjourn:**


Motion to adjourn Regular Meeting at 11:12 a.m. made by Mr. Webber; Seconded by Mr. Duhamel. Unanimously voted.

Respectfully submitted,

  
Karry A. Barros  
Assistant Director

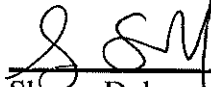
Retirement Board Meeting Minutes  
December 20, 2019

**Plymouth Retirement Board:**

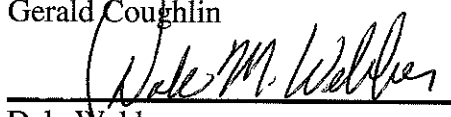
  
\_\_\_\_\_  
Mr. Thomas Kelley, Chairman

**Dated:** January 31, 2020

**DO NOT SIGN**  
\_\_\_\_\_  
Lynne Barrett

  
\_\_\_\_\_  
Shawn Duhamel

  
\_\_\_\_\_  
Gerald Coughlin

  
\_\_\_\_\_  
Dale Webber