

**PLYMOUTH RETIREMENT BOARD**

**Friday, March 26, 2021**

**8:30 a.m.**

**This Meeting Was Held Remotely**

Pursuant to Governor Baker's March 12, 2020, Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §18, and the Governor's March 15, 2020 Order imposing strict limitations on the number of people that may gather in one place, this meeting of the Plymouth Retirement Board is being conducted via remote participation. No in-person attendance of members of the public will be permitted, but every effort will be made to ensure that the public can adequately access the proceedings as provided for in the Order.

Chairman Kelley called the meeting to order at 8:30 a.m. Other participating Board Members were Lynne Barrett, Gerald Coughlin, Dale Webber, and Robert Ness. Attorney Michael Sacco, Anthony Tranghese from DiMeo Schneider & Associates, L.L.C., Executive Director, Wendy Cherry and Assistant Director, Karry Barros participated remotely as well. Chairman Kelley noted that this meeting is being held remotely due to the COVID-19 Pandemic.

Roll-call vote at 8:30 a.m. to enter into Regular Session:

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

Unanimously Voted.

**Section I:**

**Executive Session:**

Pursuant to MGL Chapter 30A, Section 21 (a)(3), the Board will enter into Executive Session to discuss ongoing litigation.

Pursuant to MGL Chapter 30A, Section 21 (a)(1). The Board will enter into Executive Session to vote a Regional Medical Panel for the Accidental Disability Application of Sandra Patrician.

Roll-call vote at 8:30 a.m. to enter into Executive Session:

Mr. Kelly	yes
Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Ness	yes

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The Board will re-enter the Regular Meeting immediately following Executive Session.

Roll-call vote at 8:47 a.m. to end Executive Session.

Mr. Kelly	yes
Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Ness	yes

**Section II: Regular Business:**

**Minutes:**

Minutes of December 18, 2020	Regular Meeting
Minutes of December 18, 2020	Executive Session
Minutes of January 29, 2021	Regular Session
Minutes of January 29, 2021	COLA Vote
Minutes of January 29, 2021	Executive Session

Motion to accept Minutes as listed made by Ms. Barrett; Seconded by Mr. Coughlin.

Roll-call vote:

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

Unanimously Voted.

**Warrants:**

Warrant #1 Dated January 31, 2021	\$ 3,362,294.62 Final
Warrant #2 Dated February 28, 2021	\$ 2,419,549.54 Partial
Warrant #3 Dated March 31, 2021	\$ 1,214, 530.22 Partial
Warrant #4 Dated April 30, 2021	\$ 6,365.40 Partial

Trial Balance as of January 31, 2021	\$ 214,200,125.07
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Motion to accept Warrants as listed made by Ms. Barrett; Seconded by Mr. Coughlin.

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Roll-call vote:

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

Unanimously voted.

**January 2020 Accounting Reports Presented to Board for Review:**

Trail Balance  
Cash receipts  
Cash Disbursements  
Adjustments  
Rockland Trust Statements: Money Market & Checking Acct  
Treasurer's Reconciliation – Money Market & Checking Acct

Ms. Cherry informed the Board that the 2020 books are now closed.

Motion to accept the January 2020, Accounting Reports as listed made by Ms. Barrett; Seconded by Mr. Webber.

Roll-call vote:

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

Unanimously voted.

Anthony Tranghese from DiMeo Schneider & Associates, L.L.C joined the meeting at 9:12 a.m.  
Gar Chung, Reporter for Financial Investment News, joined the meeting at 9:15 a.m.

**PERAC Memos:**

Memo #11/2021: Benefit Calculation Submissions Via PROSPER  
Memo #12/2021: Tobacco Company List

**2020 PERAC Annual Statement:**

The Board reviewed the 2020 PERAC Annual Statement

Motion to accept the 2020 PERAC Annual Statement made by Ms. Barrett; Seconded by Mr. Coughlin.

Roll-call vote:

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

Unanimously voted.

**2021 Annual Vendor Disclosures submitted to PERAC:**

Acadian  
Aristotle  
Barings  
Berman Tobacco  
Boston Partners  
Boston Trust  
Columbia Threadneedle  
DiMeo Schneider  
Invesco  
People's United Bank  
Rhumbline Advisors  
Robbins, Geller, Rudman & Dowd  
Scott & Scott Attorneys at Law  
Wellington Management  
Westfield Capital

**Investments:**

Mr. Tranghese greeted the Board and stated that the Markets have performed well Year-to-Date. January and February 2021, had a good stretch in equities and bonds have peeled off some. The S&P was at 1.7% as of February 28, 2021. He noted that regarding allocation, it is his recommendation to take another step towards getting the International piece of the Portfolio closer to target.

Motion to move \$1 Million from the RhumbLine mandate and allocate \$500,000.00 each to Invesco and Aristotle International Funds made by Ms. Barrett; Seconded by Mr. Ness.

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Roll-call vote:

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

Unanimously voted.

Mr. Tranghese asked the Board to review and approve the RFP Schedule for 2021:

**Mandate**

**Issue RFP By:**

Large Cap Core Equity Passive	Issue Late March / Early April
International Growth Equity	Issue Late March / Early April
International Small Cap Equity	Issue Late March / Early April
Large Cap Core Equity	Issue Late April / Early May
Large Cap Growth Equity	Issue Late August / Early September

Motion to approve the RFP Schedule for 2021, as listed made by Ms. Barrett; Seconded by Mr. Ness.

Roll-call vote:

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

Unanimously voted.

**Manager Interviews:**

**BlackRock:**

Joe Gelly, Managing Director, Tim Donovan CFA, and Hanna Kim, Director & Senior Investment Strategist, joined the meeting at 9:24 a.m.

Mr. Gelly greeted the Board and introduced his team.

Ms. Kim explained to the Board that Black Rock uses SIO's (Strategic Income Opportunities) which are flexible bond strategies that have been very successful. This fully flexible strategy

creates a broader platform enabling the use of a flexible and dynamic approach. These SIO's aim to generate consistent, attractive risk-adjusted returns across all market environments while retaining the general risk profile of traditional fixed income investments.

Chairman Kelley noted that Black Rock has a position in New York Municipal Bonds and asked Ms. Kim if that is something she thinks will change.

Ms. Kim explained that a change may be made at any time, this reflects the flexible nature of the strategy. She told the Board that there are two goals, flexible alpha, and diversified risk. Black Rock wants to build a portfolio of many while remaining risk aware by running through a rigorous process. She informed the Board that the strategy does not have a benchmark. Since inception of the strategy in March of 2010, no single alpha source has contributed more than 25% of total performance. This strategy provides the flexibility to invest across sectors while tactically managing duration throughout the market cycle.

Mr. Tranghese asked Ms. Kim to give the Board a sense of the current position of the portfolio.

Ms. Kim told the Board that they are still defensive on interest rates. There is opportunity as the economy is showing lower quality corporate credit mortgages and higher cash levels at 8 or 9%, which allows to run more cash.

The Board thanked Mr. Gelly, Mr. Donovan, and Ms. Kim. They left the meeting at 9:51 a.m.

Ms. Barrett stated that in light of the Pandemic, there may be many businesses that won't be buying commercial mortgages.

Mr. Tranghese told Ms. Barrett that the thoughts she shared are the consensus views, however, they have the ability to be overweight and underweight.

### **Brandywine:**

Andy Bauer, Senior Vice President and Brian Kloss, Portfolio Manager joined the meeting at 9:53 a.m.

Mr. Bauer greeted the Board and introduced Mr. Kloss and himself.

Mr. Bauer told the Board that Brandywine's investment success is built on a foundation of strong organizational design and culture. The Firm, a mid-sized boutique, has Franklin Templeton as their parent company and is based in Philadelphia. Having two-hundred and twenty-five (225) employees, they have a global footprint in Montreal, London, and Singapore. Mr. Bauer explained that they have three (3) asset classes: Global Fixed Income, Fundamental Equity, and Diversified Value Equity. Global Fixed Income holds 80% of the Firm's assets. He discussed their special emphasis on risk, informing the Board that Brandywine views risk as the probability of a permanent capital loss, not a benchmark-relative metric. He added that Brandywine has a deep and experienced team with over twenty-eight (28) years of investment experience.

Mr. Tranghese asked if they have an up-to-date analysis of defaults on commercial mortgages.

Mr. Kloss stated that they research on the zip code level and property level on all purchases. He added that they have been avoiding commercial property and generally focus on residential mortgages.

Chairman Kelley stated that with properties in default, banks were not coming clean on cash flow.

Mr. Kloss told the Board that he has heard of that in the Market but, this has not happened in any of their dealings.

Mr. Traghese asked if Mr. Kloss would briefly explain how the portfolio is positioned today and what opportunities may be on the horizon.

Mr. Kloss told the Board there is a good chance we will see some deflation in a couple of years. He added that he also thinks that the COVID-19 virus will be managed and controlled with the vaccines. They are looking for companies with significant pricing power. Thinking about this bias, for the short duration, they will be a bit conservative. They will not reach for excessive risk but rather, remain flexible and nimble.

Mr. Bauer and Mr. Kloss thanked the Board and left the meeting at 10:27 a.m.

Ms. Barrett compared Black Rock's returns since inception of 3.5% vs. Brandywines at 6%.

Mr. Traghese told Ms. Barrett that she is correct but noted, the comparison is over different time frames as Black Rock has a couple more years on Brandywine. He explained to the Board that from a return and risk standpoint, Brandywine had better returns by taking more risk. Last year, Brandywine was up 15% and Black Rock was up 8%. He informed the Board that the fees are the same and Black Rock has clients in the state while Brandywine does not. Mr. Traghese stated that the role of fixed income is to help preserve in challenging environments. If looking at both, Black Rock has a bit more downside protection. While both have performed well in their universe, Brandywine has performed better in the absolute and has been compensated for taking more risk. Mr. Traghese added that Black Rock has held up better in a more challenging environment.

Mr. Ness asked if the Board is choosing this sector to minimize risk.

Mr. Traghese stated that the Board is using this mandate to replace Barings.

Chairman Kelley asked if the money can be moved over a three (3) month period and not all at once.

Mr. Traghese answered in the affirmative.

Ms. Barrett recalled that Mr. Traghese told the Board, the plan is to liquidate Barings and then dollar cost. She added, due to the similar nature of the funds, the entire amount should be moved.

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Motion to replace the Barings mandate with Brandywine made by Ms. Barrett.

Discussion:

Mr. Ness reminded the Board that Brandywine does not have any Massachusetts clients and has no experience working with PERAC.

Mr. Traghese agreed with Mr. Ness and noted that this would not be a reason for the Board not to hire Brandywine however, it could make the process take longer.

Chairman Kelley stated that he is leaning toward Black Rock. He added that his vote is going to be for Black Rock.

Mr. Ness stated his vote is for Black Rock as well.

Ms. Barrett stated that she would like to change her motion.

Motion to replace the Barings mandate with Black Rock and move the funds to Black Rock at one time made by Ms. Barrett. Seconded by Mr. Ness.

Roll-call vote:

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

Unanimously voted.

Gar Chung and Anthony Traghese left the meetings at 10:44 a.m.

**Next Meeting:**

April 23, 2021

**Public Comment:**

Mr. Webber stated that he would like the Board to consider making an OPEB Statement on social media due to the Town's billion-dollar OPEB liability being reported and discussed on several social medial platforms. He told the Board he would like to explore the possibility of making a response.

Ms. Barrett stated she does not support responding to social media posts. She added that the OPEB Valuation number is what it is.



Chairman Kelley told Mr. Webber that he agrees with Ms. Barrett. This issue is complex nation wide and has a variety of factors such as mortality tables, pay as you go, and actuarial valuations. He noted that this Board has done all they can do regarding OPEB.

Mr. Webber informed the Board that these discussions are ongoing. There has been a statement made that a billion dollars is not "fake money." Mr. Webber told the Board that he wanted to share, this is gaining momentum.

Ms. Barrett stated that the Retirement Board Members are managers of the investment vehicle only and have no control over liability. As a Board, we have no control over liability. The Board only has control over the investment vehicle, and, she does not want to take a position on the matter.

Mr. Coughlin stated that it will not be any good to take a position, the Board will not be able to quell the discussions.

Ms. Barrett told the Board that the Town and PEC have come to an agreement regarding Medicare B reimbursement which will allow for the liability to decrease significantly. The Town and employees are making moves to reduce the liability.

Mr. Webber stated that he agrees 100% but no one is making those comments. He added that he is curious if the Mass. Retirees Association would release a position statement.

Chairman Kelley stated that Ms. Barrett, Mr. Webber, and he could work on a historical paper explaining the work the Retirement Board has done to help manage the OPEB liability.

### **Section III: Membership:**

#### **Option D Survivor Benefits:**

Joseph McKenna, widow of Nicole McKenna, School Department Student Services Secretary, deceased February 24, 2021, has applied for Option D benefits, \$6,000/year.

Ms. Cherry told the Board that Ms. McKenna was a School Department employee that passed away while still a member in service and her husband has applied for her Option D Survivor Benefit.

Motion to approve an Option D Benefit for Joseph McKenna, the surviving spouse of Nicole McKenna, made by Mr. Webber; Seconded by Mr. Coughlin.

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Roll-call vote:

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

Unanimously voted.

**New Hires:**

**Town:**

Gardner, Ashley, Group 1, Dispatcher  
Perm. Full-time: \$831.16 weekly  
Start Date: March 22, 2021

Scalia, Jessica, Group 1, Administrative Secretary-Collector/Treasurer  
Perm. Full-time: \$798.28 weekly  
Start Date: March 24, 2021

Washburn, Nimue, Group 1, Dispatcher  
Perm. Full-time: \$831.16 weekly  
Start Date: March 15, 2021

**School:**

Meehan, Paul, Group 1, Custodian  
Perm. Full-time: \$1,685.60 bi-weekly  
Start Date: March 15, 2021

Motion to approve Town and School New Hires as listed made by Ms. Barret; Seconded by Mr. Coughlin.

Roll-call vote:

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

Unanimously voted.

**Refunds:**

**Town:**

Back, Derek, Group 4, Police Officer  
Six (6) Years, Eight (8) Months Creditable Service (1/31/2013-10/7/2019)  
Total Refund Including FWT: \$22,961.08

Motion to accept Town Refund as listed made by Ms. Barrett; Seconded by Mr. Coughlin.

Roll-call vote:

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

Unanimously voted.

**Rollovers:**

**Town:**

Back, Derek, Group 4, Police Officer  
Six (6) Years, Eight (8) Months Creditable Service (1/31/2013-10/7/2019)  
Total Rollover Amount: \$34,441.60

Motion to accept Town Rollover as listed made by Ms. Barrett; Seconded by Mr. Coughlin.

Roll-call vote:

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

Unanimously voted.

**Transfers:**

**PHA:**

Lawson, Todd, Group 1, Maintenance Supervisor  
Five (5) Years, Seven (7) Months Creditable Service (12/3/2012-11/27/2020)  
Total Transfer to Massachusetts Housing Finance Agency: \$58,795.38

Motion to approve Plymouth Housing Authority Transfer as listed made by Mr. Webber;  
Seconded by Ms. Barrett.

Roll-call vote:

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

Unanimously voted.

**Buybacks:**

**School:**

Shain, Karen, Group 1, Facilities Secretary, has requested to purchase three (3) years, six (6) months of prior service with the School Department from January 6, 2014, through November 15, 2020. Total Buyback Amount: \$5,886.70.

Motion to approve School Buy Back as listed made Mr. Webber; Seconded by Ms. Barrett.

Roll-call vote:

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

Unanimously voted.

**Retirements:**

**Town:**

McAuliffe, Albert, P., Group 1, Director of Inspectional Services  
Twenty-three (23) Years, Seven (7) Months of Creditable Service  
Superannuation Retirement: opt c  
Retirement Date: April 16, 2021

Motion to approve Town Retirement as listed made by Mr. Webber; Seconded by Ms. Barrett.

Roll-call vote:

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

Unanimously voted.

**Adjourn:**

Motion to adjourn meeting made by Ms. Barrett at 11:23 a.m.; Seconded by Mr. Coughlin.


Roll-call vote:

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

Unanimously Voted.

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Respectfully submitted,

  
Karry A. Barros  
Assistant Director

**Plymouth Retirement Board:**

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Mr. Thomas Kelley, Chairman

\_\_\_\_\_  
Lynne Barrett

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

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

\_\_\_\_\_  
Robert Ness

**Dated:** July 30, 2021