

PLYMOUTH RETIREMENT BOARD
Friday, September 27, 2019
8:06 a.m.
212 South Meadow Road, Unit #3
Plymouth MA 02360

Chairman Thomas Kelley called the meeting to order at 8:06 a.m. in the conference room of the Plymouth Retirement Office. Present Board Members were Gerald Coughlin and Dale Webber. Also present were Anthony Traghese, Wendy Cherry, and Karry Barros. Shawn Duhamel joined the meeting at 8:11 a.m. and Vice Chair Lynne Barrett joined the meeting at 8:15 a.m.

Section I: Regular Business

Minutes:

Minutes of August 30, 2019	Regular Meeting
Minutes of August 30, 2019	Executive Session
Minutes of September 17, 2019	Special Called Meeting

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

Warrants:

Warrant #7 Dated July 31, 2019 (correction)	\$ 8,008,887.30 FINAL
Warrant #8 Dated August 31, 2019	\$ 4,209,961.09 Partial
Warrant #9 Dated September 30, 2019	\$ 2,392,925.74 Partial
Warrant #10 Dated October 31, 2019	\$ 6,000.00 Partial

Trial Balance as of July 31, 2019: \$188,527,017.43

Mr. Coughlin asked if the Trial Balance listed is a Gross or Net Balance.

Ms. Barros stated that the Trial Balance listed through July 31, 2019, is a Net Balance as the Accounts Payable have been deducted.

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

Section II: Membership:

New Hires:

Town:

- 9% Mills, Mathew, Group 1, Recreation Program Supervisor
Perm. Full-time: \$924.74 weekly
Start Date: September 17, 2019

- 9% Peter, Jenna, Group 1, Administrative Secretary-Assessor's
Perm. Full-time: \$782.63 weekly
Start Date: September 18, 2019

School:

- 9% Baggs, Jenna, Group 1, Paraeducator
Perm. Full-time: \$977.77 bi-weekly
Start Date: August 27, 2019

- 9% Sarah Bruffee, Group 1, Paraeducator
Perm. Full-time: \$977.77 bi-weekly
Start Date: September 3, 2019

- 9% Brunstrom, William, Group 1, Paraeducator
Perm. Full-time: \$899.60 bi-weekly
Start Date: August 27, 2019

- 9% Hurley, Elizabeth, Group 1, EdTV Reporter
Perm. Full-time: \$1,806.00 bi-weekly
Start Date: August 27, 2019

- 9% O'Brien, Colleen, Group 1, Paraeducator
Perm. Full-time: \$788.13 bi-weekly
Start Date: August 27, 2019

- 9% Potenza, Anthony, Group 1, Custodian
Perm. Full-time: \$1,623.20 bi-weekly
Start Date: September 3, 2019

- 9% Sears, Corey, Group 1, Custodian
Perm. Full-time: \$1,623.20 bi-weekly
Start Date: September 3, 2019

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9% Souza, Nicole, Group 1, Paraeducator
Perm. Full-time: \$923.23 bi-weekly
Start Date: September 3, 2019

9% Sprague, Seth, Group 1, Video Production Specialist
Perm. Full-time: \$2,153.85 bi-weekly
Start Date: August 27, 2019

PHA:

9% Blanchard, Candy, Group 1, Program Assistant
Perm. Full-time: 1,275.00 bi-weekly
Start Date: August 13, 2019

Motion to accept Town, School and PHA New Hires as listed made by Mr. Webber; Seconded by Mr. Coughlin. Unanimously voted.

Refunds:

Town:

DiCarlo, Anthony, Group 4, Firefighter
Four (4) Months Creditable Service (2/18/2019-7/9/2019)
Total Refund Including FWT: \$2,267.76

DiCarlo, Robert, Group 4, Firefighter
Five (5) Months Creditable Service (2/18/2019-7/19/2019)
Total Refund Including FWT: \$2,427.90

D'Ortona, Pamela, Group 1, Paraprofessional
Four (4) Years, Nine (9) Months Creditable Service (8/27/2014-6/17/2019)
Total Refund Including FWT: \$11,089.42

Motion to accept Town Refunds made by Mr. Webber; Seconded by Mr. Coughlin. Unanimously voted.

Buy Backs:

Town:

Burke, James, Group 4, Police Officer, has requested to purchase prior part-time seasonal service with the Town of Plymouth Harbormaster's Department from June 5, 2014 through March 31, 2019. Total Buyback Amount: \$6,427.56.

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Larsen, Adam, Group 4, Police Officer, has requested to purchase a prior refund of eleven (11) years, six (6) months service (January 24, 2005 through August 5, 2016) with the Plymouth Police Department. Total amount of this refund was \$80,703.87. Interest will accrue monthly on this buyback.

Larsen, Adam, Group 4, Police Officer, has requested a buyback of four (4) years prior Military Service.

Total Buyback Amount: \$31, 582.30

Chairman Kelley asked if there were any issues to be discussed regarding the Buy Back Requests.

Ms. Barros explained the circumstances of Mr. Larsen's service refund and reviewed the Board's Buy Back Policy as well as Chapter 176 of the Acts of 2011, Section 9, the amended Purchase of Creditable Service effective April 2, 2012. Ms. Barros informed the Board that requests were made for a copy of Mr. Larsen's Settlement Agreement, but nothing has been received to date.

Mr. Webber told the Board that without having all the facts, the Board should wait until a copy of the Settlement Agreement is provided.

Chairman Kelley asked Ms. Cherry to make another request for the Agreement.

Motion to postpone a Board vote until next month or such time the Settlement Agreement is provided made by Ms. Barrett; Seconded by Mr. Coughlin. Unanimously voted.

Motion to approve the Buy Back request for Police Officer James Burke and the Military Buy Back request for Police Officer Adam Larsen made by Ms. Barrett; Seconded by Mr. Coughlin. Unanimously voted.

Retirements:

Town:

Anderson, Maureen, K. Group 1, Administrative Secretary Water Dept.
Eleven (11) Years, Two (2) Months Creditable Service
Superannuation Retirement: opt b
Retirement Date: September 5, 2019

Ms. Barrett noted that Ms. Anderson is an example of a retiree that the Town will be paying health benefits for, for life, even though she only worked for the Town of Plymouth for a year. Ms. Anderson is eligible to retire from the Town of Plymouth due to prior service she had with another System.

Mr. Duhamel stated that the law allows this and any change that could be made would have to be done legislatively.

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The Board discussed the current Health Benefit Policy for employees and retirees of the Town of Plymouth.

Motion to approve the Retirement of Maureen K. Anderson made by Ms. Barrett; Seconded by Mr. Coughlin. Unanimously voted.

Section III: Executive Session:

The Board did not convene Executive Session.

Regular Business Continued:

Public Comment:

Mr. Webber informed the Board that he and Chairman Kelley made a trip to the State House yesterday (9/26/19) to testify in support of House Bill H-2334 filed by Representative Matthew Muratore from Plymouth. This Bill, if passed, would tighten the loopholes in the reporting of hours and earnings of Massachusetts Retirees working municipal jobs post retirement.

Chairman Kelly told the Board that his comments referenced the 750+ retirees of the Town of Plymouth and of those, there are 2 that are not willing to conform. Mr. Kelley asked Mr. Duhamel his thoughts regarding the filing of this Bill.

Mr. Duhamel told the Board that the Massachusetts Retiree Association is not taking a position on the Bill. He added, he thinks it is a good idea, but he represents the MA Retirees Association.

New Business:

Mr. Kelley referenced the Draft Letter written to the Town by Attorney Sacco regarding Mutual Aid as it applies to DPW Workers and M.G.L. c.40, Sections 4(j) & 4(k). The letter explains the difference between Sections 4(j) & 4(k) as well as the importance of adding Section 4(k) for the protection of DPW Workers that may be sent to work under the terms of Mutual Aid.

Mr. Webber told the Board that he thinks this is a good letter.

Motion to approve the Draft Letter as written and have Attorney Sacco send to the Town made by Mr. Webber; Seconded by Mr. Duhamel. Unanimously voted.

Investments

Mr. Tranghese reviewed the Flash Report through August 31, 2019. The total Fund was at \$190,406,435. Month-to Date, the Fund was at -0.8% and at -0.4% Quarter-to-date.

U.S. Equity Markets took a step back in August, with the S&P 500 Index posting a return -1.6%. Large cap stocks significantly outperformed small caps, with growth outperforming value across all cap spectrums. Bond Markets rallied in August posting strong positive returns as falling interest rates provided a nice backdrop. The 10-Year Treasury yield ended the month at 1.51%. International Equities as well as Commodities & Real Estate struggled in August. Mr. Tranghese told the Board that September has been strong enough so far to offset August's negatives.

Chairman Kelley noted that the Private Equity piece of the portfolio has provided that extra, when the Markets have been down.

Mr. Tranghese agreed with Chairman Kelley adding that for the 10-Year period, the Private Equity Composite performed at 16.5%.

Mr. Tranghese pointed out that Boston Trust has performed well, at 21.3% this year through August 31, 2019. He told the Board that it has paid off to be patient.

Mr. Tranghese briefly reviewed the OPEB Trust performance. The total Fund was at \$6,233,073, as of August 31, 2019. Mr. Tranghese told the Board that Year-to-Date, the Fund has performed well at 12.9%.

Investment Manager Presentations 2019:

9:00 a.m. -Boston Trust-

Nick Caldwell, CFA, and Richard Williams, CFA, introduced themselves to the Board. Mr. Caldwell told the Board that Mr. Williams has joined the company after having worked for BlackRock for six (6) years.

Chairman Kelley explained that the Board would like to be made aware of any changes in the company, given a performance update, and given a brief company outlook.

Mr. Caldwell told the Board that Boston Trust & Investment Management Company has officially changed its name to Boston Trust Walden Company, now having two brands operating under one name. He explained that the change is purely cosmetic, there are no changes in ownership, personnel, or services they provide. Mr. Caldwell told the Board that Richard Williams, Belinda Cavazos, and Ken Scott are the members of Plymouth's Investment Team. He added that a new Senior Investment Analyst was hired, Leanne Moore, and the firm remains well diversified and doing well.

Mr. Williams told the Board that their definition of quality is both an absolute standard and a set of relative considerations with dynamic characteristics. He explained that companies having consistent fundamental results with prudent capital management and reported financials reflecting economic results tend to remain profitable. These companies have stocks that are generally more stable and create a portfolio with less risk.

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In the trailing twelve (12) months, the strategy returned 8.9%, outperforming the index return by 12.2%. This outperformance is consistent with Boston Trust's track record of protecting in volatile markets.

Mr. Williams reminded the Board that when he met with them last December, it was a time of high volatility in the Markets. Performance for the 2nd Qtr. 2019, was at 4.7% vs. the Russell 2000 Index at 2.1%. Year-to-Date through June 30, 2019, performance was at 21% vs. the benchmark at 17%. Mr. Williams told the Board that the One-Year performance through June 30, 2019, was 8.9% vs. the Russell 2000 Index at -3.3%, exemplifying the benefit of a full Market Cycle.

Chairman Kelley noted that the Portfolio Characteristics Chart reports the Return of Invested Capital for Boston Trust Walden at 20% vs. the Russell 2000 Index at 7.6% as of June 30, 2019.

Mr. Williams stated that this is due to the companies they seek and that they only try to own 90 companies.

Mr. Duhamel asked what their turnover is.

Mr. Williams stated that there is approximately 21% turnover in a twelve (12) month period.

Mr. Williams told the Board that in terms of outlook, the US economic growth is likely to be moderate, partly due to tight labor markets and the slowdown of key trading partners. The Federal Reserve interest rate cut, and accommodative stance decreases risk of a policy-induced recession, in addition, lack of progress in trade negotiations along with the upcoming U.S. Presidential Election add risks to economic forecasts. He added that this strategy has limited exposure to International Equities.

The Board thanked Mr. Caldwell and Mr. Williams, they left the meeting at 9:22 a.m.

9:25 a.m.-Ameriprise/Columbia-

Joe Dougherty, CFA and Chris Jorel, CFA introduced themselves to the Board.

Mr. Dougherty told the Board that business remains stable and has continued to grow. He informed the Board that Jennifer Ponce de Leon, former Senior Portfolio Manager, has been replaced by Brian Lavin, head of the High Yield Team. Portfolio Manager Dan De Young, and CFA Kris Keller, were both added to the team. Dave Graveau retired last April and was replaced by Travis Hulstein, CFA, Senior Trader.

Mr. Dougherty told the Board that performance Year-to-Date through August 31, 2019, was 12.91% vs. ICE BofAML US Cash Pay HY Constrained Index at 11.17%. This return is reported Net of Fees. Mr. Dougherty reviewed portfolio positioning noting that Tech Resources/Software Services and Media/Cable & Satellite TV are in the top five of the largest overweight industries.

They have taken a defensive position in Telecom-Satellite (space) as well as Pharmaceuticals due to opioid litigation. He told the Board that picking high quality bonds has been the key thing driving performance.

Mr. Tranghese commented that this has been a great year for performance. He asked if there would be any position changes in a tighter spread environment going forward.

Mr. Jorel stated that they are pretty conservative and will remain defensive. He added that spreads are even tighter than on a headline basis, the Market is tighter than it looks. He told the Board that there will not be any risk added however, they will not be going into "hunker down" mode.

The Board thanked Mr. Dougherty and Mr. Jorel, they left the meeting at 9:40 a.m.

9:41 a.m -RhumbLine:

Wayne Owen, CEO and Shawn Reardon joined the meeting.

Mr. Owen introduced Mr. Reardon, informing the Board that Mr. Reardon is a St. John's undergrad and has been interning for over a year under Denise D'Entremont.

Mr. Owen told the Board that there are no changes to the Firm however, a few people have been added because of growth. The Firm has been in business for thirty (30) years with 240 Institutional Clients in thirty (30) states. As of June 30, 2019, AUM were \$58.4 Billion with asset classes that include Domestic Equity, Domestic Fixed Income, and International Equity. Mr. Owen thanked the Board for their recent contribution explaining that a little over eight (8) Million Dollars went into the Fund on September 25th transitioning smoothly.

Town of Plymouth Contributory Retirement System S&P 500 Pooled Index Fund

Mr. Owen told the Board that the MA S&P 500 Pooled Index Fund is a Massachusetts Fund only with a Total Market Value of \$652.6 MM as of August 31, 2019, and, this Fund has sixteen (16) investors. Performance Year-to-Date (Gross of Fees) as of August 31, 2019, was 18.29% vs. the S&P 500 Index at 18.34%. Annualized performance since inception is 10.97% vs the S&P 500 Index at 11.01%.

OPEB Fund Review:

Town of Plymouth-OPEB S&P 500 Pooled Index Fund

Mr. Owen told the Board that the initial contribution to this Fund was made on December 31, 2016, in the amount of \$966,000. Additional contributions since that time are equal to \$1,201,265.22, making the net investment \$2,167,265.22. The Market Value as of August 31, 2019, was \$2,670,895.11. Performance, Year-to-Date through August 31, 2019, was at 18.29% vs. the S&P 500 Index at 18.34%.

Town of Plymouth -OPEB MSCI EAFE Polled Index Fund:

Mr. Owen told the Board that the OPEB MSCI EAFE Pooled Index Fund performance (gross of fees) through August 31, 2019, was at 9.88% vs. the MSCI EAFE Index at 9.66%. Market Value as of August 31, 2019, was \$925,914.47.

Ms. Barrett asked which countries the Fund has stocks in.

Mr. Owen showed the Board a slide with a Country Weights Chart.

Mr. Duhamel noted that the UK shows a weight of 16.30% and asked if BREXIT is factored in.

Mr. Owen explained that they do not forecast, they follow the Index.

Town of Plymouth- OPEB Core Bond Pooled Index Fund:

Mr. Owen told the Board that there are nice returns on the Fixed Income side so far this year. Performance, Year-to-Date through August 31, 2019, was 9.22% vs. the Core Bond Benchmark at 9.10%. Market Value as of August 31, 2019 was \$2,636,263.41. Plymouth's OPEB percentage of ownership for this Fund is .73%. The Total Fund Market Value was \$358.9MM as of August 31, 2019.

Mr. Owen reviewed the Organization Chart, noting that Lisa Sheeler was added to the Compliance Team and Paulo Campos was added as an Associate to the Investment Operations Team.

Mr. Owen and Mr. Reardon thanked the Board, they left the meeting at 9:56 a.m.

Chairman Kelley thanked the staff and Mr. Traghese for their work in executing the termination paperwork for Boston Advisors and the transfer of funds to RhumbLine.

Next Meeting:

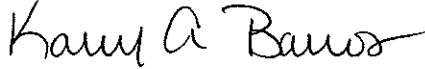
October 25, 2019

Adjourn:

Motion to adjourn Regular Meeting at 10:01 a.m. made by Mr. Webber; Seconded by Mr. Duhamel. Unanimously voted.



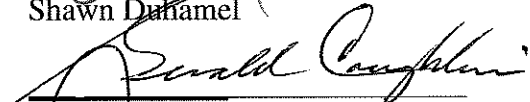

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Respectfully submitted,



Karry A. Barros
Assistant Director

Plymouth Retirement Board:


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

Dated: October 25, 2019