

PLYMOUTH RETIREMENT BOARD

Friday, October 28, 2016

8:25 a.m.

10 Cordage Park Circle, Suite 240

Plymouth MA 02360

Chairman Kelley called the meeting to order at 8:25 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 Sacco, Tony Tranghese from FIA, Wendy Cherry, and Karry Barros. Shawn Duhamel participated via speaker phone.

Section I: Regular Business:

Minutes:

Minutes of September 23, 2016	Minutes of Regular Meeting
Minutes of September 23, 2016	Executive Session
Minutes of the October 13, 2016	Minutes of Regular Meeting

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

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

Warrants:

Warrant # 8 Dated August 31, 2016	\$ 5,700,393.00 Final
Warrant #9 Dated September 30, 2016	\$ 2,637,309.81 Partial
Warrant #10 Dated October 31, 2016	\$ 4,189,535.80 Partial
Warrant #11 Dated November 30, 2016	\$ 3,873.13 Partial

Trial Balance as of August 31, 2016	\$150,963,602.31
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Motion to approve warrants made by Mr. Coughlin; Seconded by Ms. Barrett. Unanimously voted by roll call:

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

Public Comment:

NONE

Section II: General Correspondence:

PERAC Memo's:

Memo #23/2016: Tobacco Company List
Memo #24/2016: Mandatory Retirement Board Member Training-4th Qtr. 2016
Memo #25/2016: Other Post-Employment Benefits (OPEB) Summary
Memo #26/2016: Appropriation Data Due October 31, 2016

Financial Statement Audit:

The Board received copies of the Draft Financial Statements for the year ending December 31, 2015, prepared by Powers & Sullivan.

Motion to approve the Draft Financial Statements for the year ending December 31, 2015, made by Ms. Barrett; Seconded by Mr. Coughlin. Unanimously voted by roll call:

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

2017 Budget:

The Board reviewed the 2017 Budget.

Motion to approve the 2017 Budget made by Mr. Webber; Seconded by Ms. Barrett. Unanimously voted by roll call:

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

Actuarial Valuation:

Jim Lamenzo and John Borak from PERAC entered the meeting to discuss the Actuarial Valuation.

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Mr. Lamenzo told the Board that in regards to the January 1, 2017, Valuation, the information he would share is preliminary as it is not typical to meet with the Board beforehand. He told the Board that the last Valuation dropped to a 7.5% Investment Return Assumption and he cannot say at this time if it needs to drop further. Right now, the recommended Investment Return Assumption is 7.5% however; the most common Investment Return Assumption at this point in time is at 7.75%. He added that he is waiting to see what the PRIT Study shows before making any recommendation to make a change. He told the Board that the results of the study are expected to be received in late December 2016, or January 2017.

Mr. Lamenzo explained to the Board that the Mortality Assumption is the second piece of the Valuation to be reviewed. Any change made at the local level will be based on the State's Generational Mortality tables during the years of 2012-2014. This assumption is used as a proxy for the local Systems. Mr. Lamenzo told the Board that PERAC completes the Valuations for approximately thirty (30) Systems. Private Actuaries are used in order to perform experience studies which are a cumbersome process. An example of the process would be looking at all ages year by year, tracking dates of death, and breaking that data down by age. He added that every six (6) years a State Study is completed, Local Studies are more than ten (10) years apart. Looking at the 2015 data, Mr. Lamenzo stated that any changes would be fairly minor.

Mr. Lamenzo told the Board that in regards to the Funding Schedule, the yearly percentage increase is determined by how many years you are going out. He added that his recommendation will be made after the Study has been received. A reasonable range would be 6.75% to 7.75% depending on the Investments and Investment Advisor.

Mr. Kelley stated that it is the Board's feeling to shorten the schedule and stay with the current assumption.

Mr. Tranghese stated that the return last year was 3% and year-to date it is 6%.

Mr. Lamenzo told the Board that there are too many unknowns, it is best to wait before making a decision. He added that his best guess would be to consider a reduction, the only impact being how far out the schedule goes.

The Board thanked Mr. Lamenzo and Mr. Borak and they left the meeting.

Mr. Duhamel told the Board that he needed to disconnect his call for a short time but that he would call back in to the meeting shortly.

Section V: Executive Session:

Pursuant to MGL Chapter 30A, Section 21 (a)(1). The Board will enter into executive session to hold an evidentiary hearing for the Accidental Disability Application of Paul Jennings.

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Pursuant to MGL Chapter 30A, Section 21 (a)(1). The Board will enter into executive session to hold a hearing on the Regional Medical Panel findings for the Accidental Disability Application of Darlene Viella.

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
Mr. Coughlin	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 9:45 a.m.

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

Refund Request:

Attorney Sacco informed the Board of a refund of Accumulated Deductions Application filed by Lynda Scolamiero, former Administrative Assistant for the Health Department. Ms. Scolamiero was investigated and convicted of larceny of municipal funds. Attorney Sacco stated that Board needs to determine if she violated Section 15(4) and recommended the Board authorize him to send Ms. Scolamiero a letter notifying her that her hearing will be held on November 18, 2016. If Ms. Scolamiero is willing to acknowledge that she did participate in misappropriation of funds the hearing will be very short. The result will be she is not entitled to any interest accrued on her account and she will be subject to the penalty of member forfeiture, meaning she will forever be barred from working for a municipality in the future.

Motion for Attorney Sacco to send Ms. Scolamiero notice of her Section 15(4) Hearing date on November 18, 2016, made by Mr. Kelley; Seconded by Ms. Barrett. Unanimously voted by roll call:

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

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Mr. Duhamel yes

Attorney Sacco left the Meeting at 9:50 a.m.

Section III: Membership:

New Hires:

Town:

- 9% Brennan, Tara, Group 1, Administrative Secretary-Collector's
 Perm. Full-time: \$730.32 weekly
 Start Date: October 3, 2016
- 9% Coady, Parker, Group 1, Building Custodian
 Perm. Full-time: \$735.32 weekly
 Start Date: October 20, 2016
- 9% Cummiskey, Thomas, Group 1, Librarian
 Perm. Full-time: \$824.66 weekly
 Start Date: October 11, 2016
- 9% Kinski, Timothy, Group 1, Inspector/Lister
 Perm. Full-time: \$897.80 weekly
 Start Date: October 3, 2016
- 9% Quinn, MaryJane, Group 1, Dispatcher
 Perm. Full-time: \$741.87 weekly
 Start Date: October 28, 2016

School:

- 9% Costello, Caitlyn, Group 1, Paraprofessional
 Perm. Full-time: \$788.47 bi-weekly
 Start Date: October 3, 2016
- 9% Dupuis, Rachel, Group 1, Speech/Language Assistant
 Perm. Full-time: \$1,690.89 bi-weekly
 Start Date: August 29, 2016
- 9% Godfrey, Christine, Group 1, Paraprofessional
 Perm. Full-time: \$788.47 bi-weekly
 Start Date: August 29, 2016

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Motion to accept Town & School New Hires as listed made by Ms. Barrett; Seconded by Mr. Coughlin. Unanimously voted by roll:

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

Retirements:

Town:

Higgins, Paul, J., Group 4, Police Lieutenant
20 years creditable service
Superannuation retirement, opt c
Retirement Date: October 31, 2016

School:

Verzone, Darlene E., Group 1 Paraprofessional
17 years creditable service
Superannuation retirement, option b
Retirement Date: November 11, 2016

Motion to accept Town & School Retirements as listed made by Ms. Barrett; Seconded by Mr. Coughlin. Unanimously voted by roll:

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

Refunds:

Town:

Knight, De'Lorez, Group 1, Outreach Worker
One (1) Year, Two (2) Months Creditable Service (01/31/20015-04/28/2006)
Total Refund Including FWT: \$1,892.34

Sampson, Shaune, Group 4, Fire Fighter
Four (4) Months Creditable Service (12/27/2010-5/20/2011)
Total Refund Including FWT: \$1,934.24

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Eddy Bruce, Group 4, Fire Fighter
Refund of Non-Taxable Deductions paid towards an incomplete Military Buy-Back
Mr. Eddy Retired under Accidental Disability Retirement on 10/8/2016
Total Refund: \$7,590.00

Motion to accept Town Refunds as listed made by Ms. Barrett; Seconded by Mr. Coughlin.
Unanimously voted by roll:

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

Buybacks:

Town:

Lightbody, Joan, Group 1, Police Dept. Administration, has requested to purchase prior service from October 22, 1985 through July 21, 1986, with the Plymouth Police Department.
Total Buy Back amount \$1,191.31

Motion to accept Town Buyback as listed made by Ms. Barrett; Seconded by Mr. Coughlin.
Unanimously voted by roll:

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

3(8)(c) Liability:

Diane Byers, is a former full-time seasonal Natural Resources Officer. She was not eligible for membership in the Plymouth Retirement System. Ms. Byers is now a member of the Barnstable County Retirement Association. She would like to purchase her prior service from May 4, 2015 to September 8, 2015. If proper deductions and interest are deposited, with the Board accept four (4) months 3(8)(c) liability for Ms. Byers?

Motion to deny 3(8)(c) Liability for Ms. Byers made by Ms. Barrett; Seconded by Mr. Coughlin.
Unanimously voted by roll:

Mr. Kelley	yes
Ms. Barrett	yes
Mr. Coughlin	yes

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Mr. Duhamel yes
Mr. Webber yes

Transfers:

Town:

Cohen, Angela, Group 1, Administrative Secretary
Nine (9) Months Credible Service (03/3/2003-02/17/2004)
Transfer to State Retirement Board: \$1,848.59

Newton, Daniel, Group 1, Dispatcher
One (1) Year, Ten (10) Months Creditable Service (11/10/2014-09/24/2016)
Total Transfer to Plymouth County Retirement Board: \$7,556.47

School:

Alwardt, Sharon, Group 1, Paraprofessional
Four (4) Years, Eleven (11) Months Creditable Service (12/11/2000-11/30/2005)
Transfer to MA. Teachers' Retirement System: \$3,418.30

Motion to accept Town & School Transfers as listed made by Ms. Barrett; Seconded by Mr. Coughlin. Unanimously voted by roll:

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

Special Leave Status Policy:

Board to discuss the adoption of the Town of Plymouth, Board of Selectmen's Policy, Special Leave Status Policy.

The Board reviewed the Town's Special Leave Status Policy.

At 9:55 a.m. the Board began their Investment Manager Reviews.

Boston Advisors Large Cap Value Equity

Doug Riley, CFA & Portfolio Manager and James Gaul, CFA & Portfolio Manager both entered the meeting and introduced themselves to the Board.

Chairman Kelley asked if there were any changes in the company or strategy changes.

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Mr. Riley told the Board that there are no strategy changes in the Firm however; an Assistant Trader was hired so now there are two full-time Traders and one Assistant Trader. The Firm also hired an International Portfolio Manager. Mr. Riley went on to inform the Board that on July 25, 2016, Boston Advisors LLC entered into an agreement to acquire the assets of Weyland Capital Management, an investment advisory firm based in Portsmouth New Hampshire. This deal closed on October 1, 2016. Weyland Capital Management managed \$175 million of multi –asset portfolios for approximately 130 clients nationwide. The combined organization is expected to manage approximately \$4.8 billion in assets for well over 500 clients domestically and internationally. The firm serves insurance companies, endowments, foundations, pension plans, mutual funds and individual investors.

Mr. Riley told the Board that relative performance was strong early in the third quarter as the strategy jumped out to an almost 80 bps lead in late July before weakening over the last several trading days of the month. August was also positive adding slightly to the relative gain. Challenging stock selection in early September resulted in a weak month versus the index. Relative performance was balanced closing at 3.93% vs. the S&P 500 Total Return at 3.85% for the third quarter. The year-to-date performance has been more challenging at 1.93% vs. the Benchmark of 7.84%. Mr. Riley reviewed the fundamental data chart in his handout and added that investor's maintained a preference for companies with lower valuation, providing some hope that company fundamentals are once again an area of investor focus.

Mr. Gaul reviewed the Firms security measures with the Board, assuring the Board that security is top priority. He told the Board that things have been difficult for the past twelve months but the company is committed to “trusting the process and not trusting the junk.” They are leaning into the valuation idea because there is a relative difference between growth and cheapness. The focus is tilting the portfolio into more of a valuation bias.

The Board thanked Mr. Riley and Mr. Gaul and they left the meeting.

Shawn Duhamel ended his conference call into the meeting.

Boston Trust Small Cap Core Equity

Mark Cushing, CFA & Managing Director and Richard Williams, CFA & Portfolio Manager both entered the meeting.

Chairman Kelley asked Mr. Cushing to update the Board on any changes in the company or their strategy.

Mr. Cushing told the Board that Boston Trust is a Small Cap Manager for the Town of Plymouth Retirement System with \$7.5 billion in assets under management. There have been no changes organizationally but their strategy has reopened to public consumption, adding some new clients to their strategy. He told the Board that their objectives are to generate competitive returns with less risk over full market cycles and provide diversified exposure to U.S. small cap. It is their philosophy that higher quality companies tend to deliver persistent economic returns, companies with a demonstrated mechanism to sustain success are more likely to outperform through

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economic cycles, stocks of higher quality companies are systematically mispriced because investors fail to account appropriately for risk, and additional risks can be mitigated through a disciplined approach to valuation and broad diversification.

Mr. Cushing reviewed the investment performance through September 30, 2016. Year-to-date the fund was at 14.1% vs. the Russell 2000 Index at 11.5%, up 2.6%. For the one year, the fund was at 18.6% vs. the benchmark of 15.5%, up 3.1%. He told the Board that the Market has rebounded pretty quickly although October 2016, has been a weak period for equities in general.

Mr. Williams told the Board that the strategy has outperformed the benchmark index and the outperformance is consistent with the track record of participating in rising markets and protecting in declining and volatile markets. He added that their long-term perspective is strategy returns are superior to the index with less volatility and to keep the portfolio invested in a diversified set of higher quality companies. Mr. Williams summed up by stating that slow, steady, growth and relatively low interest rates are what makes small cap equity work.

The Board thanked Mr. Cushing and Mr. Williams and they left the meeting.

Dale Webber left the meeting.

Westfield Capital Large Cap Growth Equity

Justin Moscardelli, Partner and John Montgomery, Managing Partner both entered the meeting.

Mr. Moscardelli told the Board that the Town of Plymouth Retirement account was first funded in October of 2008, and that currently the Firm has \$12.7 billion in assets under management with sixty-three employees as of September 30, 2016. They specialize in growth equities across the market capitalization spectrum and use a team approach which allows analysts to have an impact on portfolios creating a differentiated culture. The Firm has two new hires, Samuel Ensslin and Michael Poe.

Mr. Montgomery told the Board that the group ensures we invest your money how you want. The Firm invests in companies with underappreciated earnings growth trading at reasonable valuations, believing that stock prices will follow earnings growth. Earnings growth and attractive valuations are key characteristics that we look for in our investments. He added that their investment philosophy has been consistent over time and key to alpha generation. Their third quarter observations were - broad strength across traditional growth sectors coming off Brexit lowered as cyclicals led defensives, Technology was the standout sector, leading the advance and bouncing back from being the worst performing sector in the second quarter, while Financials and Energy also showed notable leadership.

Mr. Moscardelli reviewed the Fund's performance stating that the quarter ended at 5.4% vs. the Russell 1000 Growth Index at 4.6%, up by .8%. Year-to-date, through September 30, 2016, the Fund was at 2.1% vs. 6.0%, underperforming the bench mark by 3.9%.

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Mr. Moscardelli told the Board that they are hopeful that in the future, the numbers will look a lot better than they have the past two years. He added that the owners have invested a year of salary back into the company.

The Board thanked Mr. Moscardelli and Mr. Montgomery and they left the meeting.

PRIM-Real Estate, Hedge Funds, Private Equity

Paul Todisco, Senior Client Services Officer entered the meeting.

Mr. Todisco told the Board that PRIM is a \$63 billion investment fund that invests public employee pension benefits. PRIM is independent, governed by a nine member Board of Trustees and has a mission to relieve the pension funding burden by the taxpayer. Mr. Todisco informed the Board that there are three new members added to the team: James Hearty, Peter Monaco, and Carly Rose. He added that Senior Investment Officer, Erin Mc Cafferty is no longer with the team. Mr. Todisco then informed the Board of the creation of the PRIM Advisory Council. The Council consists of Representatives from around the state who will serve a two-year term. This is a good forum to provide regular feedback to report back to the Board.

Mr. Todisco gave the Board a brief summary of the progress- to-date regarding Project SAVE Phase I. He then gave the Board information regarding Project SAVE Phase II, stating that Michael Even, CFA, President and CEO of Numeric Investors and member of the PRIM Investment Committee, is leading an internal task force. He noted that the potential benefits of an internal task force are: additional insight into the markets, improved manager selection, improved manager monitoring, expanded ability to hire and retain superb employees and fees savings.

Mr. Todisco told the Board that regarding the PRIT Core Fund Asset Allocation, every three years a liability study is performed. Global Equities holds 40% of the portfolio and has been the best performer. The Core Fund return year-to date (gross of fees) through September 30, 2016, is 8.2% vs. the benchmark at 8.7%.

Mr. Todisco reviewed the rates of return net of fees for the period ending September 30, 2016. He noted that since the funds inception, the rate of return is 9.95%. He also reviewed the PRIT Fund Private Equity Portfolio Performance Summary by Vintage Year as of March 31, 2016.

The Board thanked Mr. Todisco and he left the meeting.

Next Meeting:

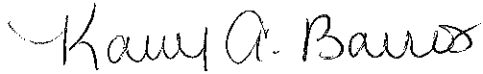
Next meeting will be held on November 18, 2016.

Adjourn:

Motion to adjourn at 12:05 p.m. by Mr. Coughlin; Seconded by Ms. Barrett. Unanimously voted.

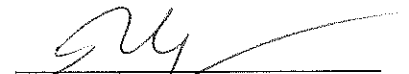
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Respectfully submitted,

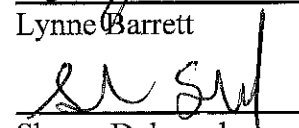


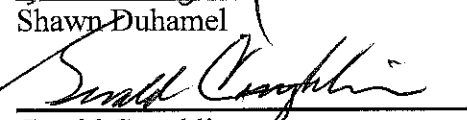
Karry A. Barros
Assistant Director

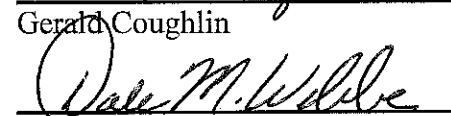
Plymouth Retirement Board:


Mr. Thomas Kelley, Chairman


Lynne Barrett


Shawn Duhamel


Gerald Coughlin


Dale Webber

December 16, 2016

Dated