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Brockton Contributory Retirement Minutes for November 30, 2017 at 1:00 P.M.

William R. Farmer, Chairman

Edward P. Mack, Elected

Matthew J. McLaughlin, Appointed

William E. Parlow, Elected (*absent*)

MaryLynn Peters Chu, Ex Officio

Executive Director, Jeanne Martineau present

Votes to be recorded as (Yes- No- Abstain)

Chair notes that Member Parlow is not in attendance due to illness

Chairman recognized any member of the public who wishes to be acknowledged.

n/a

Minutes:

- Motion by E. Mack, second by M. McLaughlin to approve the minutes of October 24, 2017

So voted: (4-0-0)

- Motion by E. Mack, second by M. McLaughlin to approve the Executive Session minutes of October 24, 2017 for T. HANCOCK, not subject to release due to medical information.

So voted: (4-0-0)

Vendor and Payroll Warrant:

- Motion by E. Mack, second by M. McLaughlin to approve and authorize the payment of bills listed on the warrant of November 30, 2017

So voted: (4-0-0)

- Motion by E. Mack, second by M. McLaughlin to approve and authorize the Contributory Pension Payroll for November 30, 2017

So voted: (4-0-0)

Refunds

Shawn D. Baxter

City Tech Support

Refunded to Kyle Baxter Beneficiary

Kathleen Ward

School Dept.

Scott F. Shields

Police Dept.

Danielle D. Parker

School Dept.

- Motion by E. Mack, second by M. McLaughlin to approve the refunds as listed above

So voted: (4-0-0)

Transfers Out

n/a

Retirement Applications:

<u>Name</u>	<u>Dept.</u>	<u>Type</u>	<u>Effective Date</u>
Linda A. Malcolm	School Dept.	Superannuation	10/25/17
Victor M. Parziale	Fire Dept.	Superannuation	11/18/17
John J. Kostka	Animal Control	Superannuation	12/07/17
Nancy J. Pozerski	School Dept.	Superannuation	01/15/18
Robert F. Buczek	Fire Dept.	Superannuation	01/19/18

- Motion by E. Mack, second by M. McLaughlin to accept the Retirement Applications as listed above

So voted: (4-0-0)

Education Opportunities

1. 2018 NCPERS - Legislative Conference - January 28 -30, 2018

- Motion by E. Mack, second by M. McLaughlin to authorize the Board Members to attend if their schedule allows

So voted: (4-0-0)

October

Warrant Check Series Used: #20511-20554

End Checks (Office Payroll) Series Used: #20502-20506

End Checks (Office Payroll) Series Used: #20507-20510

Retiree's Payroll Check Series Used: #20555-20571

Replacement Check Series Used: 20501

Void/cancel Checks Used: N/A

Visitors/ Financials

Review Bank Reconciliation Statement

SEI

Terry Gerlich was present to discuss performance to date and Private Equity Strategy for 2018

- Gerlich began the discussion stating that the market has been performing well, but it is overdue for a correction. The SEI investments in the portfolio realized 15.01 YTD and annualized at 17.87, compared to PRIT at 14.46, and 15.83 respectively. Gerlich stated that the portfolio is lagging the index in both large and small cap equity and they will probably make changes to that part of the portfolio next year. He discussed the legacies and stated that after year end they will take an in depth look at the performance of each holding. Most

are now in the final stages of distribution and, therefore, a negative return on the small outstanding balance is to be expected. Since the Board's prior private equities are waning he recommended expanding the program and stated that a 10 year vintage program is needed to fully maintain the strategy. PRIT has 10% in private equity but Brockton can't get there overnight. It will take some years to fully invest in that kind of program. Once a year he will recommend investing more in the PE program until the portfolio has the full 10 years in place. For diversification and fee purposes he recommended investing \$3.5M in the PRIT PE program and \$3.5 in the SEI's Program. When asked if there would be any overlapping he stated that traditionally they have not overlapped PRIT's holdings. He warned that the investment program will initially realize negative returns for the first couple of years. SEI can gain access to more managers than Brockton could do on its own.

- Motion by E. Mack, second by M. McLaughlin to invest \$7M with the SEI Private Equity Program

So voted: (4-0-0)

Disabilities:

JUDY A. GODINO - School Dept. - Medical Panel Certificate Review -1:40 P.M.

Brenda J. McNally, Esq. of Ready, Kiernan and McNally, LLP present to represent

- Motion E. Mack, second by M. McLaughlin to enter Executive Session for purposes of discussing medical information

Roll call vote: M.M. (I), E.M. (I), B.F. (I) M.P.C. (I)

- Motion E. Mack, second by M. McLaughlin to exit Executive Session

Roll call vote: M.M. (I), E.M. (I), B.F. (I) M.P.C. (I)

- Motion E. Mack, second by M. McLaughlin to accept the Medical Panel Findings, accept the Accidental Disability and forward the Disability Transmittal to PERAC.

So voted: (4-0-0)

MARY E. GUEST - Medical Panel Certificate Review -1:55 P.M.

Bernard J. Mulholland, Esq. of Ford, Mulholland, & Moran P.C. present to represent

- Motion E. Mack, second by M. McLaughlin to enter Executive Session for purposes of discussing medical information

Roll call vote: M.M. (I), E.M. (I), B.F. (I) M.P.C. (I)

- Motion E. Mack, second by M. McLaughlin to exit Executive Session

Roll call vote: M.M. (I), E.M. (I), B.F. (I) M.P.C. (I)

- Motion E. Mack, second by M. McLaughlin to authorize Board Counsel to send PERAC a request for Medical Clarification from two of the physicians.

So voted: (4-0-0)

TRACY L. BARBAS - Police Dept. - Medical Panel Certificate

- Motion E. Mack, second by M. McLaughlin to accept the Medical Panel Findings, award the Ordinary Disability and forward Disability Transmittal to PERAC.

So voted: (4-0-0)

PATRICK J. MULVEY - DPW - Medical Panel Certificates

- Motion E. Mack, second by M. McLaughlin to accept the Medical Panel Findings, award the Accidental Disability and forward Disability Transmittal to PERAC.

So voted: (4-0-0)

Workers' Compensation Offset

Board Counsel to discuss proposed workers' compensation offset for SHAWN SAWYER

- Motion E. Mack, second by M. McLaughlin to accept the proposed workers' compensation settlement

So voted: (4-0-0)

12(2)(d) Application

LINDA J. PEARSON - Application for 12(2)(d) Benefits, survivor of Carl E. Pearson City Technical Support Specialist

- Motion by E. Mack, second by M. McLaughlin to find that the applicant meets the criteria for death benefits and award the 12(2)d benefit to LINDA PEARSON.

So voted: (4-0-0)

OLD BUSINESS

90A- HALF PAY

Study still in progress as the office is waiting on the Police Contract settlement details

NEW BUSINESS

Board received Performance Evaluation and six month review of Tina Jefferson (*sent via email 11/24/17*)

Board acknowledges that the Summary of the Conflict of Interest Laws was distributed via email on November 24, 2017

Two submissions for the Actuarial Services RFP have been received. KMS Actuaries, LLC, and Stone Consulting Inc. The prices and proposals were reviewed.

- Motion by E. Mack, second by M. McLaughlin to contract with KMS Actuaries

So voted: (4-0-0)

2. Board to review and discuss the Contribution Schedule proposed change due to roll-forward of 2017 assets, which will affect PERAC's budget letter

The roll-forward for assets as of January 01, 2017 would cause the current funding schedule to increase by over \$700k. The Board felt that the City would not have the appetite for that and since the market is performing well for 2017, the new results should realize some smoothing when the next funding schedule is produced as of January 01, 2018. No action taken.

3. Board to review Contribution Schedule Scenarios for COLA threshold increases
At this time the Board took no action. The new actuary quoted a price for such a study and the Board may request a new one after they have a new funding schedule, hoping that the numbers may be more favorable.
4. Director to discuss retro-active payment for section 100 retirees
The Board asked Counsel to review his notes on the section 100 retirees to determine what was included in their pay. This issue will be revisited at the December meeting.
5. Board received follow up Report of the Examination of the Brockton Retirement System for the three-year period from January 1, 2012 to December 31, 2014, dated November 21, 2017

Any business not reasonably anticipated by the Chair
n/a

NON ACTION ITEMS

Notice of Deaths

Carl E. Pearson deceased September 29, 2014, leaves a 12(2)(d) Survivor Linda J. Pearson.

Shawn D. Baxter deceased August 27, 2015, no further payment shall be made in his name after the date of death.

Phyllis U. Billadeau deceased October 19, 2017, no further payment shall be made in her name after the date of death.

Francis X. Hughes deceased October 25, 2017, leaves an Option C Survivor Eleanor M. Hughes.

Elizabeth A. Hendrick deceased October 31, 2017, no further payment shall be made in her name after the date of death.

Shirley L. Dunford deceased November 6, 2017, no further payment shall be made in her name after the date of death.

Myrna R. Bagley deceased November 16, 2017, no further payment shall be made in her name after the date of death.

Peter Luttrell deceased November 17, 2017, no further payment shall be made in his name after the date of death.

Gary R. Mercurio deceased November 20, 2017, leaves an Option C Survivor Mary Mercurio

Retirement Approvals

<u>Name</u>	<u>Dept.</u>	<u>Type</u>	<u>Effective Date</u>
Jane M. Fitts	School Dept.	Superannuation	09/22/17
Gayle R. Nash	DPW	Superannuation	09/15/17
Patricia A. Spivey	Tax Collectors	Superannuation	09/08/17
Daniel F. Santry	Fire Dept.	Superannuation	10/03/17
Shawn R. Sawyer	School Dept.	Accidental Disability	08/15/16

IT

Director updates the Board on software conversion process

Appeals or Exams at the State Level

John J. Carr v. Brockton Retirement Board, CR-07-1033, Counsel to review with Board
The Board prevailed at DALA. James Quirk, attorney for the petitioner sent CRAB a letter dated November 28, 2017 appealing DALA's decision.

PERAC Memos

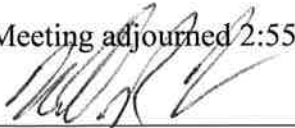
<http://www.mass.gov/perac/forms-pubs/memos/>

- # 31-2017 Appropriation Data Due October 31, 2017
- # 32-2017 Tobacco Company List
- # 33-2017 New Fraud Prevention Poster
- # 34-2017 Administrator's Training (November 14, 2017) Location Change

Next meeting is Thursday December 21, 2017:

- Motion by E. Mack, second by M. McLaughlin to adjourn the meeting
So voted: (4-0-0)


Meeting adjourned 2:55:



William R. Farmer, Chairman




Edward P. Mack, Elected



Matthew J. McLaughlin, Appointed

Absent

William E. Parlow, Elected



MaryLynn Peters Chu, Ex Officio