

HAVERHILL RETIREMENT BOARD

Tuesday, June 14, 2022 9:00AM

Haverhill City Hall, Room 303 and Zoom

David Van Dam is inviting you to a scheduled Zoom meeting.

Topic: Haverhill Retirement Board Meeting

Time: Jun 14, 2022 09:00 AM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/87586136210?pwd=c0dCQ21jTkpYNHRuZDAyalhxd3BpZz09>

Meeting ID: 875 8613 6210

Passcode: 343093

One tap mobile

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The meeting was called to order at: 9:08AM

In attendance: Board Members: William Klueber, James Cleary, Richard MacDonald, Lewis Poore, Gus Aristizabal (Wainwright Investment Counsel), Laura Angus (Benefits Counselor/Records Access Officer); and David Van Dam (Administrator).

Lewis Poore joined the meeting at 10:20AM and left the meeting at 11:20AM.

Absent: Angel Wills

“Executive Session – the Board will convene in executive session pursuant to M.G.L. c. 30A, ss. 21(a)(1) and (3) to discuss medical issues pertaining to member disability applications, evidentiary hearings, request for medical panels and conduct a strategy session for collective bargaining negotiations.”

A motion was made by MacDonald to convene in executive session at 9:11AM for the purpose to discuss medical issues pertaining to member disability applications, evidentiary hearings,

request for medical panels and to conduct a strategy session for collective bargaining negotiations, seconded by Cleary.

Roll call vote- 3 yes, Cleary, MacDonald and Klueber, 2 absent (Wills and Poore).

Christopher Collins, board attorney will be on the call at 9AM

Fred Simmons- Disability Application- Evidentiary Hearing- 9:15AM-Vote

Jennifer Sweeney, Medical Panel Review by single doctor and possible clarification- 9:55AM
Vote

Accidental Death of Ekatarini Zaralides benefit for Vasilios Zaralides (spouse) MGL Chapter 32, Section 9-Vote

Accidental Disability (death of Harold E. Smith) Death Benefit for Verna Smith (spouse) MGL Chapter 32 section 101- Vote

Board Labor Attorney, David Jenkins Update

A motion was made by Cleary to adjourn executive session at 10:19AM, seconded by MacDonald.

Roll call vote- 3 yes, Cleary, MacDonald and Klueber, 2 absent (Wills and Poore).

TerraCap Management, LLC (presented by Stephen Hagenbuckle and Nicholas Vician)

The following information was obtained from the Investment Manager's presentation to the Board on May 10, 2022 and from a call with the Manager. The information provided herein, including, but not limited to historical performance and descriptive strategy information, was obtained from third party managers and/or custodians independent of and not affiliated with Wainwright Investment Counsel, LLC ("Wainwright") or its affiliates and has not been independently audited or verified by Wainwright as a result. The information was gathered from sources deemed to be reliable; however, no assurance is made as to the accuracy of the data. Please refer to the Investment Manager's full presentation for additional details and disclosures. Unless noted all the information is as March 31, 2022.

The firm has 27 employees and offices in Denver (CO), Atlanta (GA), Naples (FL) and Tampa (FL). They are in the process of closing their fifth U.S. Real Estate Value Fund. They reported no legal or regulatory issues.

Terracap Fund II, LP ("Fund II"):

- This 2013 closed-end vintage fund raised \$ 102 million in equity capital. In total, the Fund made 24 property investments into 35 buildings.

- Fund II reported 14.86% net IRR and a 1.55x net equity multiple. There is one property left in Fund II. Jones Loop Land Assemblage (Punta Gorda, FL). They expect to sell this asset by year-end 2022 or early 2023. By the time they complete this sale, the net IRR and net equity multiple should be close to the March 31, 2022 numbers reported above.

Terracap Fund III, LP (“Fund III”):

- Closed in July 2016 with \$ 120 M of LP capital and had 13 transactions in 32 buildings.
- Fund III reported a 6.26% net IRR and a 1.26x equity multiple. COVID affected Fund III as TerraCap decided not to sell any of the properties in Fund III during the pandemic.
- There are four assets left in the portfolio. Three are in the market and TerraCap expects to sell them in the next 90 to 120 days. These assets are: The Holiday Inn & Suites in Cary, NC; Tampa Oaks Office Center in Tampa, FL; and Huntcrest Commerce Center in Lawrenceville, GA.
- TerraCap expects to sell Sugarloaf Commerce Center in Duluth, GA in mid-2023.
- Once these remaining properties are sold, they expect a 7.5 to 8.5% net IRR and a 1.30x net equity multiple.

Investment Consultant Review & Update Report

- Overview of Markets and Performance Report
 - Investment Rebalancing
 - Asset Allocation
1. Wainwright Investment Counsel (WIC) provided a market update as of June 7, 2022 and a performance update for the portfolio as of March 2022.
 2. Wainwright Investment Counsel (WIC) provided a rebalancing report as of June 7, 2022 (with and without new appropriations). Wainwright Investment Counsel (WIC) also updated the year-to-date net distributions from partnerships through June 7, 2022.
 3. Wainwright Investment Counsel (WIC) provided preliminary performance for Putnam Investments and Fisher Investments as of May 31, 2022.
 4. The Haverhill Retirement System (“HRS”) expects to receive, on July 1/2022, \$23,643,755 in appropriations. The Board voted to send on July 1/022 \$10M to the Pension Reserves Investment Trust (PRIT) General allocation Fund and another \$10M to Pension Reserves Investment Trust (PRIT) sleeves according to the following detail:

Pension Reserves Investment Trust (PRIT) International Equities \$1,350,000
Pension Reserves Investment Trust (PRIT) Emerging Markets \$300,000
Pension Reserves Investment Trust (PRIT) Core Fixed Income \$1,350,000

Pension Reserves Investment Trust (PRIT) Value Added \$2,000,000
Pension Reserves Investment Trust (PRIT) Core Real Estate \$2,150,000
Pension Reserves Investment Trust (PRIT) Absolute Return \$2,850,000

The Board voted to keep the \$3,643,755 to pay benefit payments in June and not to take the usual \$2M from the Pension Reserves Investment Trust (PRIT) General Allocation Fund this month).

5. The Board voted to maintain the \$2M withdrawal from the Pension Reserves Investment Trust (PRIT) General Allocation Fund for the next fiscal year (July 2022 to June 2023).
6. The Board voted not to bring any managers to the July 2022 meeting.
7. The Board will discuss the asset allocation in July 2022.

FY23 Appropriations

The Administrator informed the board that all FY23 appropriations are expected to be received and invested on July 1, 2022 as directed by the board.

PRIT Fiscal 2023 Automatic Redemption and Monthly Maintenance Balance Election-

A motion was made by Poore to maintain our current automatic redemption and monthly balance election for FY23 as listed above for \$2,000,000.00, seconded by MacDonald.

Roll call vote- 4 yes, Cleary, MacDonald, Klueber and Poore and 1 absent (Wills).

Warrants

Review and approve the warrants:

- May 2022 Warrant #05-2022: \$ 2,783,497.03 (approved to transfer up to \$750,000.00) and transferred \$750,000.00.

A motion was made Cleary to accept the May 2022 Warrant as listed above, seconded by MacDonald.

Roll call vote- 3 yes, Cleary, MacDonald, Klueber and 2 absent (Wills and Poore).

- Estimated June 2022 warrant: \$3,400,000.00. Up to \$2,700,000.00 for June 2022 month end warrant.

A motion was made by Cleary to accept the estimated June 2022 Warrant as well as the request for up to \$2,700,000.00 to help fund it, seconded by MacDonald.

Roll call vote- 3 yes, Cleary, MacDonald, Klueber and 2 absent (Wills and Poore).

New Member Enrollments- VOTE

Acknowledge new member enrollments:

- **City of Haverhill- Haverhill Public Schools:** Blanca Duran-Rivas, Shawn Moran, Richard Childs, Jr., Nermeen Mansour, Demani Cartagena, Matthew Schiavoni, Osnat Evans and Stephanie Martinez. **City of Haverhill- Water Department:** John R. Talbot. **City of Haverhill: City- Water Treatment Plant:** John F. Crosbie. **City of Haverhill- Highway Department:** Robin Sparks. **City of Haverhill- Haverhill Police Department- Dispatcher:** Brigitte Hamel.

A motion was made by Cleary to accept the New Member Enrollments as listed above, seconded by MacDonald.

Roll call vote- 3 yes, Cleary, MacDonald, Klueber and 2 absent (Wills and Poore).

Buybacks/Makeups-

- None at this time.

No action was needed by the board at this time.

Refunds

- Anastasia Dimopoulos (\$11,134.05; 5 yrs., 8 months, Haverhill Public Schools), Kevin Garrett, Jr. (\$33,902.94; 8 yrs., 7 months, Haverhill Public Schools), Jeremiah Arriaga (\$4,382.00; 1 yr., 6 months, City of Haverhill- Haverhill Police Department), Vanessa McKean (\$3,185.49; 1 yr., 8 months, Haverhill public Schools) and Robert Andre (\$4,440.48; 2 yrs., 2 months, Haverhill Public Schools).

A motion was made by Cleary to accept the Refunds as listed above, seconded by MacDonald.

Roll call vote- 3 yes, Cleary, MacDonald, Klueber and 2 absent (Wills and Poore).

Rollover-

- Shelby Trocki (\$25,452.14; 4 yrs., 4 months City of Haverhill- Haverhill Public Schools).

A motion was made by Cleary to accept the Rollover as listed above, seconded by MacDonald.

Roll call vote- 3 yes, Cleary, MacDonald, Klueber and 2 absent (Wills and Poore).

Transfers-

- **City of Haverhill- Haverhill Public Schools:** Allyson Rennell (\$1,858.02; 4 yrs., 10 months- Essex), John Flemmings (\$4,603.11; 2 yrs., 3 months- Middlesex), Edward Simpson (\$14,229.19; 3 yrs., 10 months- Andover). **Haverhill Housing Authority:** Joseph Hart (\$178,791.94; 28 yrs., 2 months- Essex). **Whittier Tech:** Matthew Palmer (\$10,664.59; 3 yrs., 7 months- MTRS). **City of Haverhill- Haverhill Police Department:** William David (\$13,999.38; 2 yrs., 10 months- Essex).

A motion was made by Cleary to accept the Transfer as listed above, seconded by MacDonald.

Roll call vote- 3 yes, Cleary, MacDonald, Klueber and 2 absent (Wills and Poore).

Retirements/Disabilities/Survivor Benefits- VOTE

Retirement Board Staff have verified that the necessary paperwork is in order and has determined applicants to be eligible for such benefits:

- Acknowledge Superannuation's: City of Haverhill- **Water Treatment Plant:** Joseph Remmes (05/07/2022; 19 yrs., 9 months). City of Haverhill- **Wastewater Treatment Plant:** William Paszko, Jr. (07/16/2022; 45 yrs., 3 months). **City of Haverhill-Haverhill Public Schools:** Paul Migliori (08/12/2022; 32 yrs., 9 months).

A motion was made by MacDonald to accept the Retirements/Disabilities/Survivor Benefits as listed above, seconded by Cleary.

Roll call vote- 3 yes, Cleary, MacDonald, Klueber and 2 absent (Wills and Poore).

PROSPER Update-

- No action needed at this time.

No action needed by the board at this time.

Old Business- RFP- Portfolio Monitoring Services available June 17, 2022.

The administrator informed the board that the RFP as listed above was advertised and will be distributed to those that request it starting on June 17, 2022.

Minutes

- Review and approve the May 10, 2022 executive session meeting minutes and the May 10, 2022 regular meeting minutes. VOTE

A motion was made by Cleary to accept the Executive Session Meeting Minutes as listed above, seconded by Klueber.

Roll call vote- 2 yes, Cleary, Klueber, 1 abstain (MacDonald) and 2 absent (Wills and Poore).

A motion was made by Cleary to accept the Regular Meeting Minutes as listed above, seconded by Klueber.

Roll call vote- 2 yes, Cleary, Klueber, 1 abstain (MacDonald) and 2 absent (Wills and Poore).

Correspondence to be reviewed

PERAC Memo #12	05/18/2022	Forfeiture of Retirement Allowance For Dereliction of Duty by Members
PERAC Memo #13	06/02/2022	2021 Salary Verification Request
PERAC Memo #14	06/02/2022	Supreme Judicial Court decision in

Michael Sacco, P.C.	06/06/2022	Vernava II- Action Required All Client Memo related to: PERAC Memorandum #14/2022
Scott + Scott	05/11/2022	1Q2022 Portfolio Monitoring Quarterly Report
Eastern Bank	04/2022	Bank Reconciliation

The administrator made all correspondence available for the board members to review.

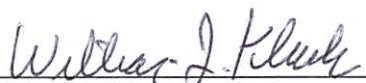
New Business-

Matters and issues the Board would like to discuss at future meetings.

Laura Angus, Benefits Counselor/Records Access Officer from the Retirement Board office will run the July 12, 2022 board meeting, as David Van Dam, Administrator will be on vacation.

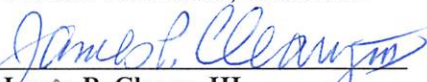
Adjourn- VOTE

Date of next scheduled Retirement Board meeting is Tuesday, July 12, 2022 at 9:00AM.



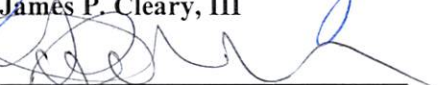
William J. Klueber, Chairman

Angel Wills



James P. Cleary, III

Lewis F. Poore, Jr.



Richard MacDonald