

Haverhill Retirement Board
Tuesday, September 13, 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: Sep 13, 2022 09:00 AM Eastern Time (US and Canada)

Join Zoom Meeting

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Meeting ID: 836 9833 6993

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The meeting was called to order at: 9:04AM

A motion was made by Poore to open the regular meeting at 9:04AM, seconded by MacDonald.

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

In attendance: Board Members: James Cleary, Angel Perkins, Richard MacDonald, Lewis Poore, Gus Aristizabal (Wainwright Investment Counsel), Michael Sacco, board attorney, Laura Angus (Benefits Counselor/Records Access Officer) and David Van Dam, Administrator.

Absent: William Klueber

“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 9:07AM 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 Perkins.

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

Michael Sacco, board attorney- 9AM

James Hayes- Disability Application- Evidentiary Hearing- 9:15AM-Vote

Alan DeNaro- Disability application, review of medical Panel results- 9:30AM-Vote

Board Labor Attorney, David Jenkins Update (counter offer)-10AM

A motion was made by Poore to adjourn the executive session at 9:42AM, seconded by Perkins.

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

Investment Manager Presentations: Putnam- 10:30AM
Glospan- 10:50AM

Glospan Capital Partners (Andy Goldfarb)

Glospan Capital Partners – Fund V (“Fund”):

- This 2006 closed-end vintage fund raised \$370.25 million in equity capital. The Fund is in active liquidation and has five assets left in the portfolio.
- Mr. Goldfarb indicated that he is actively looking to maximize the value of the remaining assets in the Fund and it may take some time before it is fully liquidated.
- Mr. Goldfarb did not disclose any legal or regulatory issues.

Putnam Investments (William J. Monroe – Portfolio Manager and Lisa Horkan – Team Leader, Client Service Manager)

U.S. Small Cap Growth Strategy (“The Fund”)

- The company had \$167 billion in assets under management, with 48% in fixed income, 43% in equities, and 9% in multi-asset allocation.

- Assets by client: 43% retail, 36% institutional, and 21% defined contribution.
- The firm exclusively manages U.S. dollar-denominated fixed income. The breakdown of assets by the strategy is 18% short, 28% intermediate, 31% core, and 23% long duration.
- The firm had no legal or regulatory issues to report.

Performance Update (Net of Manager Fees, gross of Wainwright fees) August 31, 2022

Period	Portfolio	Index*
1 Year	-23.66%	-25.26%
3 Year	9.72%	5.93%
5 Year	14.20%	6.69%
SI (3/31/2017)**	13.76%	7.15%

* Russell 2000 Growth

** Since William Monroe started managing the portfolio

Portfolio Characteristics:

Characteristics	Portfolio	Index *
Median Market Cap	\$3.7B	\$1.2B
Weighted Market Cap	\$4.1B	\$2.9B
Projected 5-year EPS growth rate	15.0%	15.0%
Price/Sales	2.2x	1.5x
Standard deviation ***	21.21%	22.46%
Beta ***	0.91	--
Tracking error ***	6.0%	--
Up capture ratio ***	106.46%	--
Down capture ratio ***	78.39%	--
Number of holdings	85	1,138

***** Last five years**

- William Monroe (Portfolio Manager) is supported by three dedicated analysts: Tania Harsono, Ryan Leonard and Jarrod Burton.
- The Portfolio overweights include: Information Technology (+ 1.1% overweight), Financials (+0.4%), Consumer Discretionary (+0.3%), Energy (+0.1%).
- Portfolio underweights include: Materials (-4.4%), Utilities (-1.8%), Health Care (-1.4%), Consumer Staples (-0.4%), Industrials (-0.4%) and Communication Services (-0.15%).
- The Real Estate allocation is in line with the index.
- Over the last year (period ending June 30, 2022), the portfolio outperformed the benchmark (-25.38% vs. -33.43% for the Russell 2000 Growth Index, gross of manager and Wainwright fees). The portfolio outperformed the index due to strong stock selection in Health Care, Consumer Discretionary, Information Technology, Communication Services, and Real Estate. Stock selection detracted from performance in Energy, Industrials, and Materials. The top stock contributors during the period include Lantheus, Kinsale Capital Group, Verra Mobility, Colliers International, and Bioven Pharmaceuticals. Portfolio detractors include Natera, Digital Turbine, Open Lending, LHC Group, and AZEK.

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 September 6, 2022 and a performance update for the portfolio as of July 2022.
 2. Wainwright Investment Counsel (WIC) provided a rebalancing report as of September 6, 2022. WIC also updated the year-to-date net distributions from partnerships through the same period.
 3. Wainwright Investment Counsel (WIC) provided preliminary performance for Putnam Investments and Fisher Investments as of August 31, 2022.
 4. Wainwright Investment Counsel (WIC) reported a summary of all the partnerships as of March 31, 2022.
 5. The Board discuss the cash needs for the month and David Van Dam indicated that he will take the regular scheduled withdrawal of \$2M this month.
 6. The Board discussed the asset allocation options presented by WIC, The Board voted for option 3. Wainwright Investment Counsel (WIC) will propose an updated Investment Policy Statement (IPS) at the October meeting.

7. The Board voted to take another \$10M from the Pension Reserves Investment Trust (PRIT) General Allocation Fund into the segmented Pension Reserves Investment Trust (PRIT) as of October 1, 2022.

A motion was made by Poore to exchange \$10M within the PRIT sleeves for October 1, 2022 as to be directed by Gus at Wainwright Investment Counsel, seconded by Perkins.

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

NEXT BOARD MEETING DATE:

October 11, 2022. PRIT will present at the October meeting.

Linda Bournival, Actuary- discussion to rescind prior schedule vote and new vote on new schedule- 11:30AM

A review of the new schedules and some of the old schedules by the actuary and the board were discussed. A motion was made by Poore to table the above vote until the October 2022 board meeting, seconded by Perkins.

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

Warrants

Review and approve the warrants:

- August 2022 Warrant #08-2022: \$2,557,011.93 (approved to transfer up to \$2,000,000.00) and transferred Zero.

A motion was made by Poore to accept the above August 2022 Warrant for \$2,557,011.93 as listed above, seconded by MacDonald.

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

- Estimated September 2022 warrant: \$2,700,000.00. Up to \$2,000,000.00 for September 2022 month end warrant.

A motion was made by Perkins to approve the estimated September 2022 Warrant as listed above, seconded by MacDonald.

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

New Member Enrollments- VOTE

Acknowledge new member enrollments:

- **City of Haverhill- Haverhill Public Schools:** Jude Donovan, Jr., Angela Lombardi, Jonathan Plumb, Marie Joslin, Adalberto Rodriguez, Megan Donovan, Nicole M. Alexander, Finnegan S. Bevilacqua, Lynn M. Kingman, Jennifer Brache, Michelle Merritt, Laura Yepes, Lawana Saint-Jean, Silvia Mendoza, Courtney Pulley, Kerianne

Connelly, Sarah Selig, Melissa Paris, Cheryl Bouchard, Tsz Yau Zephira Tavares, Callie Coady, William Bailey, Carrieann Craven, Tracie McCann, Maggie Ruder, Carol Bioren, Stephanie Cavanaugh, Yurdley Rodriguez, Alicia B. Korinow, Domenic J. Marte, Isabelle Morrill, Meghan Schaffer, Garifalia Giliogiannis, Destany Nunez, Candiceanne L. Iannaco, Jonelle Brown, William Henry, Megan Dusombre, Bertha Valladares, Claudia Santos, Brendon Kane and Angela Keizl. **City of Haverhill- City Clerk's Office:** Jennifer Sanchez. **Haverhill Housing Authority:** Carlos Aguilera and Brandon Drebit.

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

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

Buybacks/Makeups-

- None at this time.

There was no action needed by the board at this time.

Refunds-

- Tammy Roberts (\$4,909.55; 2 yrs., 11 months, Haverhill Public Schools).

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

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

Rollovers-

- None at this time.

No action was needed by the board at this time.

Transfers-

- **City of Haverhill- Haverhill Public Library:** Joan Carbone (\$11,974.52; 4 yrs., 9 months- Essex). **City of Haverhill- Haverhill Public Schools:** Anna Linnehan (\$14,305.43; 2 yrs., 3 months- MTRS), Daniel Favreau (\$12,460.31; 4 yrs., 11 months- MTRS), Coralie Mathieu (\$2,792.91; 0 yrs., 11 months- Lexington) and Allyson Dawkins (\$17,626.01; 7 yrs., 11 months- Essex).

A motion was made by Perkins to accept the Transfers as listed above, seconded by Poore.

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

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- Haverhill Public Schools:** Jude Shanahan (08/29/2022; 27 yrs., 4 months) and Michelle Lalumiere (09/07/2022; 18 yrs., 7 months). **City of Haverhill- Haverhill Fire Department:** Douglas R. Brown (09/08/2022; 26 yrs., 4 months).

A motion was made by MacDonald to accept the Retirements as listed above, seconded by Poore.

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

- **Member Survivor Allowance:** A Spousal Affidavit has been submitted for a pension benefit, MGL Chapter 32, Section 12(2)(d) Option D as a result of the death of member Lorraine Turell. Matthew Turell (spouse) will receive a spousal pension.

A motion was made by MacDonald to accept the Survivor Benefit as listed above, seconded by Perkins.

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

PROSPER Update-

- No vote needed at this time, but please review disability cases.

No action was needed by the board at this time.

Old Business- Motion for reconsideration related to the actuarial schedule vote- VOTE RFP reviews (Angel and Richard will update board) and new actuarial schedules, vacation buybacks and FireKing File Drawer.

The board asked the actuary to provide some other schedules and the board would review them at the next board meeting.

A motion was made by Perkins, after a review of the RFP submissions for a Securities Litigation Firm, to give the contract to the top 3 firms that scored the highest by the reviews from herself and MacDonald, seconded by MacDonald.

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

Vacation buybacks were discussed per the PERAC Memo #23 from 9/12/2022.

Poore let the board know that he could not get any fire proof file cabinets for the board office, although, Cleary offered to give 2 fire files to the board if available. The administrator was directed to get a price of moving the fire file cabinets from Cleary's office to the retirement office.

Minutes

- Review and approve the August 09, 2022 executive session meeting minutes and the August 09, 2022 regular meeting minutes. VOTE

A motion was made by MacDonald to accept the executive session meeting minutes for August 9, 2022 as listed above, seconded by Perkins.

Roll call vote- 3 yes, Poore, MacDonald, Perkins, 1 abstain (Cleary), 1 absent, (Klueber).

A motion was made by Perkins to accept the regular meeting minutes for August 9, 2022 as listed above, seconded by Poore.

Roll call vote- 3 yes, Poore, MacDonald, Perkins, 1 abstain (Cleary), 1 absent, (Klueber).

Correspondence to be reviewed

PERAC Memo #22	08/05/2022	Cost of Living Increase for Supplemental Dependent Allowance Paid to Accidental Disability Retirees and Accidental Death Survivors
Wolf Popper LLP	09/01/2022	Litigation Update
Eastern Bank	07/2022	Bank Reconciliation

All correspondence was provided to the board for their review.

New Business-

- Office supply purchase request of FireKing Patriot Insulated Four-Drawer Fire File to store disability files.

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

Adjourn- VOTE

A motion was made by Perkins to adjourn the meeting at 12:17PM, seconded by MacDonald.

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

Date of next scheduled Retirement Board meeting is Tuesday, October 11, 2022 at 9:00AM.

William J. Klueber, Chairman



James P. Cleary, III



Richard MacDonald



Angel Perkins

Lewis F. Poore, Jr.