

HAVERTHILL RETIREMENT BOARD

Tuesday, October 12, 2021 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: Oct 12, 2021 09:00AM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/87850788368?pwd=OVdTNNGF3cmJYeEIwaGdlldGVZbVICUT09>

Meeting ID: 878 5078 8368

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The meeting was called to order at: 9:01AM

In attendance: Board Members: William Klueber, James Cleary, Richard MacDonald, Lewis Poore, Jeff Fabrizio (Wainwright Investment Counsel); and David Van Dam (Administrator).

Absent: Charles Benevento

Investment Manager Presentations

- Pension Reserves Investment Management Board (PRIT)- 9:05AM

Pension Reserves Investment Management Board (PRIM)-

The following information was obtained from the Investment Manager's telephonic presentation to the Board on October 12, 2021 provided by Francesco Daniel of the Pension Reserves Investment Management Board (PRIM). 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;

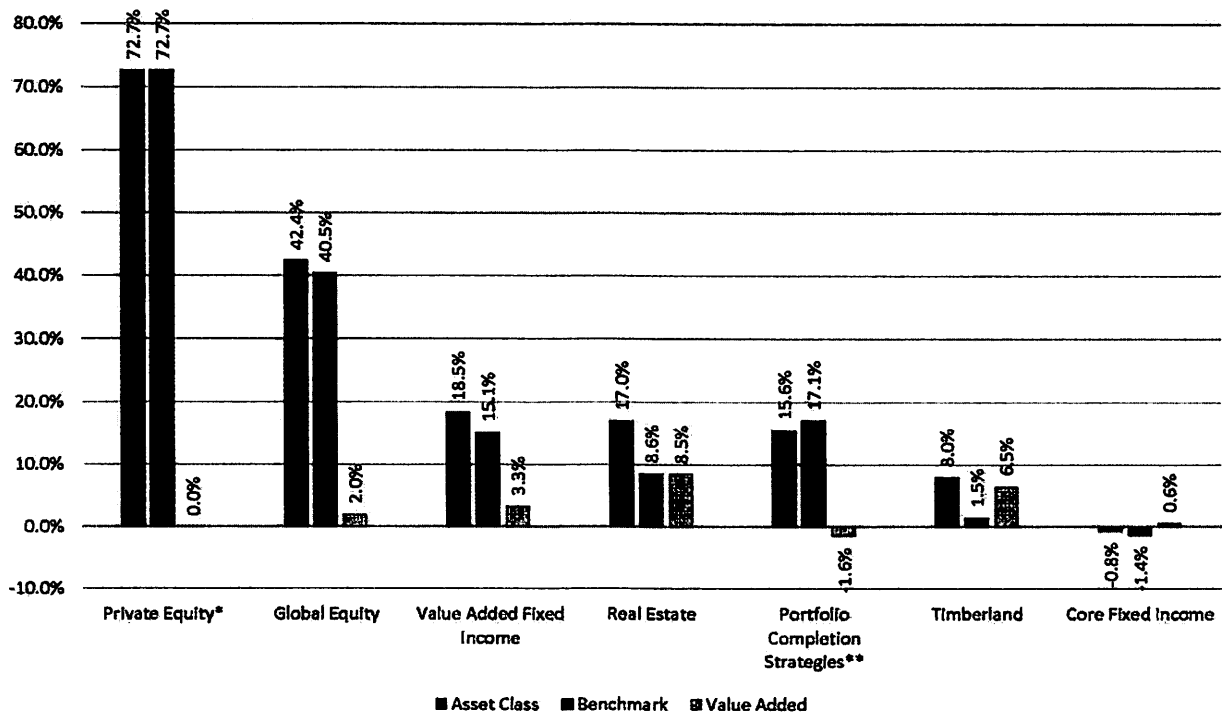
however, no assurance is made as to the accuracy of the data. Please refer to the Investment Manager’s full presentation for additional details and disclosures. Unless noted, all the information is as June 31, 2021.

Summary-

The Pension Reserves Investment Management Board (PRIT) Fund was up 30.0% gross of fees for the one-year period ending June 30, 2021, which was the best fiscal year in history and surpassing the previous high back in 1986. This exceeds the core index by about 9% and equates to an investment gain of about \$22.1 billion for the fiscal year. Assets in the Pension Reserves Investment Management Board (PRIT) Fund stand at \$95.7 B and the fund’s expenses run at approximately 51 basis points per year.

As of June 30, 2021, Haverhill’s performance in the Pension Reserves Investment Management Board (PRIT) fund was 12.29% YTD, 31.29% over the past 1 year trailing period and 12.12% annualized for the 3-year trailing period. Portfolio investments are evaluated on expected return, risk and costs.

Private equity has been the most significant performer in the portfolio during the 1, 3, 5 and 10 year trailing periods. Private equity is up 72% for the one-year period ending June 30, 2021 followed by global equity at 42.4%. Private investments held in the Pension Reserves Investment Management Board (PRIT) Fund, which include private equity as well as other private investments, comprise about 38% of the portfolio. Twelve month gross of fee returns for asset class as of June 30, 2021 are shown below.



Source: BNY Mellon. Totals may not add due to rounding. *Benchmark is actual performance. **Hedge Fund returns are net of fees.

This past February, the Pension Reserves Investment Management Board (PRIM) approved a 1% increase in the private equity allocation target range and a reduction in portfolio completion strategies of 1%. The Pension Reserves Investment Management Board (PRIM) rebalances to the target ranges monthly.

From an operational standpoint, the Pension Reserves Investment Management Board (PRIM) has a very productive year with \$4.4 million in new investments, 7 new employees hired, 5 staff members promoted, 13 interns hired and a few new initiatives launched.

- Project Save is an initiative that the Pension Reserves Investment Management Board (PRIM) has been working on in recent years and the goal was to find \$100 million in cost savings. The Pension Reserves Investment Management Board (PRIM) has exceeded that goal and is now tracking \$250 million in cost savings per year.

- The additional personnel that the Pension Reserves Investment Management Board (PRIM) noted on the call include Seth Gitell, who was hired as Chief External Affairs Officer reporting directly to Michael Trotsky; Helen Huang is an investment officer in Private Equity and Mini Kouame as an investment research analyst.

The Pension Reserves Investment Management Board (PRIM) must receive commitment notices to the Vintage Year 2022 Private Equity Fund no later than December 15, 2021. The Pension Reserves Investment Management Board (PRIM) expects the first capital call to occur in February 2022.

The Haverhill Retirement System has invested \$196 million in the Pension Reserves Investment Management Board (PRIT) Fund and has made additional allocations to selected private equity commitments to the segregated vintage year funds.

- TerraCap Partners II and TerraCap Partners III- 9:40AM

TerraCap Management-

The following information was obtained from the Investment Manager's telephonic presentation to the Board on October 12, 2021 provided by Steve Hagenbuckle, and Susana Davis. 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 June 30, 2021.

TCP II, LP Summary-

TCP II, LP ("Fund II") is in wind down mode. The Haverhill Retirement System committed \$4 million in Fund II on December 4, 2013. Since then, Haverhill has received 21 distributions through March of 2021 totaling \$5.8 million. TerraCap will be making another distribution within the next 30 days with proceeds from the sale of East Point, which is an office property in

Florida that was sold in September, and a portion of the Jones Loop parcel that was sold. With this distribution, the Haverhill Retirement System will have received 22 distributions by year-end 2021.

East Point was the last income property in the fund. The only asset that remains in Fund II is Jones Loop, which is a land assemblage purchased in March of 2012. The Jones Loop property is broken into three categories. The first is a multi-family property, which just sold and the proceeds for which will be included in the upcoming distribution. The second is two single family residential tracts that are both under contract with D.R. Horton and scheduled to close in 2022. The third is 19 commercial outparcels that will be sold individually or in bulk depending on the buyer.

As of June 30, 2021, Haverhill's fair market value was \$426,051. The net IRR for Fund II is 15.11% and the net equity multiple is 1.56x and this is where TerraCap expects the fund to wrap up.

TCP III, LP Summary-

The Haverhill Retirement System committed \$3 million to TCP III, LP ("Fund III") on June 23, 2016. Fund III is the first fund where TerraCap charged notional interest for investors that did not come into the first closing. For this reason, \$2.57 million of the commitment was invested while the balance was notional interest charges. To date though August 2021, Haverhill has received has 16 distributions totaling \$2.15 million.

Haverhill's net equity multiple for this fund 1.4x and the IRR is 10.66%. Taking notional interest into consideration, the net equity multiple goes to 1.24x and the net IRR goes to 6.13%. TerraCap expects to distribute more capital from this fund in 2022.

The IRR of 6.13% is considered "lighter than expected" return because TerraCap held some of the office product longer than they anticipated until there was a recovery in the market, which is happening now. Had they sold this product earlier, the pricing for this product would have been low. TerraCap expects to see a lift in the IRR as they sell the office property and TerraCap expects the final IRR to be 8-9%.

Investment Consultant Review & Update Report

- Overview of Markets and Performance Report
 1. Wainwright Investment Counsel provided a market update as of October 5, 2021, and a performance update for the portfolio as of August 31, 2021.
 2. Wainwright Investment Counsel provided a rebalancing report as of October 5, 2021 but did not have a rebalancing to discuss.
 3. Wainwright Investment Counsel provided the schedule of distributions received year-to-date from the private equity and real estate managers through September 7, 2021.

4. Wainwright Investment Counsel provided preliminary performance for Putnam Investments and Fisher Investments as of October 5, 2021.
5. The board asked what our thoughts were on the Pension Reserves Investment Management Board (PRIM) Private Equity Vintage Year 2022 fund. Jeff told the board that Gus was thinking about this on the Board's behalf and would be prepared to speak about it at the November meeting. If the Board decides to commit to this fund, they have to provide their notice to Pension Reserves Investment Management Board (PRIM) no later than December 15, 2021.
6. David (administrator) noted that he needs \$1.5 million for 3(8)(c) payments and asked that Wainwright Investment Counsel bring a recommendation to the Board in November showing where David should get the money for this.

A motion was made by MacDonald to convene in executive session at 11:01AM, seconded by Cleary.

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

“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 and conduct a strategy session for collective bargaining negotiations.”

Labor Relations Discussion with Board Attorney, David Jenkins-11AM- Future union meeting, job descriptions, open position and bonus.

Disabilities Discussion with Board Attorney, Michael Sacco-11:20AM-

To accept application and request Medical Panel: 11:30AM- **Mr. DeNaro requested a continuance- VOTE needed-**

- Accidental Disability: **City of Haverhill-Haverhill Police Department:** Alan DeNaro – VOTE to deny application or approve to send to medical panel. If approved to send to medical panel, approve for in person or virtual. Evidentiary hearing before medical panel.

To accept application and request Medical Panel: 11:30AM

- Accidental Disability: **City of Haverhill-Haverhill Police Department:** Dennis Moriarty – VOTE to deny application or approve to send to medical panel. If approved to send to medical panel, approve for in person or virtual. Evidentiary hearing before medical panel.

A motion was made by Poore to adjourn executive session at 12:23PM, seconded by Cleary.

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

Warrants

Review and approve the warrants:

- September 2021 Warrant #09-2021: \$2,542,737.58 (approved to transfer up to \$2,000,000.00).

A motion was made by Cleary to accept the September 2021 Warrant as listed above, seconded by MacDonald.

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

- Estimated October 2021 Warrant: \$2,500,000.00. Up to \$2,000,000.00 for October 2021 month end warrant.

A motion was made by Cleary to accept the transfer of up to \$2,000,000.00 for the October 2021 warrant as listed above, seconded by MacDonald.

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

New Member Enrollments- VOTE

Acknowledge new member enrollments:

- **City of Haverhill- Haverhill Public Schools:** Whitney Willman, Amt Sutton, Carlos Contreras Espinal, Brendan Ferris, Ernest DeFazio, Jr., Remy A. Landeta Santana, Jarret Martin, James McAnich, Elizabeth Murphy, Amanda M. Hey, Lisa M. House, Elaine Rodriguez, Saralyn Hernandez, Feliciano Merced and Carrolyn Lam. **City of Haverhill- City Clerk's Office:** Kaitlin Wright. **Whittier Vocation Tech:** Kris Bellino, Suzanne Bresnahan, Carter Cotrupi, Kristin Karampatsos, Beth Pagliuca, Fatima Picanso, Kayla Yameen and Kelly Connors. **City of Haverhill- Haverhill Fire Department:** Andrew Marcotte.

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

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

Buybacks/Makeups-

- Gillian Grandoni is looking to buy back 1 yr., 3 months of time for her internship as an intern in the Water Billing Office for (July 29, 2019- February 7, 2021); \$4,378.54.

A motion was made by Poore to move the above item to the November board meeting to get clarification on the service requested, seconded by Cleary.

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

Refunds-

- Shayla Heredia (\$2,960.56; 1 yr., 7 months, school), Daniel Duchesneau (\$4,113.14; 2 yrs., 10 months, school), Felix Torres-Ramon (\$6,025.68; 1 yr., 8 months, school), David Prescott (\$3,401.52; 1 yr., 11 months, school), Allison Sargent (\$7,603.68; 4 yrs., 0

months, school and Charity A. Roux (\$3,778.85; 2 yrs., 3 months, school).

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

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

Rollover-

- Ann English (\$16,847.56; 8 yrs., 11 months).

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

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

Transfer-

- **City of Haverhill- Haverhill Public Schools:** Andrea Parshley (\$41,601.01; 11 yrs., 0 months-MTRS).

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

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

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 Superannuations: **Whittier Technical School:** Kelly M. Stronach (10/08/2021; 31 yrs., 1 month).

A motion was made by Poore to accept the retirements/Disabilities/Survivor benefits as listed above, seconded by Cleary.

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

Withdrawal of Accumulated Total Deductions (Beneficiary)-

- MGL Chapter 32, Section 11, Surviving Spouse and Non Spouse beneficiaries: Death of member Franklin E. True, III, surviving spouse Michelle True 50% and surviving son David True 50% as per Option B retirement selection.

A motion was made by Cleary to accept the Withdrawal of Accumulated Total Deductions (Beneficiary) as listed above, seconded by MacDonald.

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

MGL Chapter 32, Section 9, spouse maybe eligible for accidental death benefits for Lawrence Comeau, (Elaine Comeau-surviving spouse)- Vote needed to send additional medical records to a single physician (medical panel) for review as per the remand from PERAC dated 4/15/2021.

A motion was made by Poore to send the additional medical records for the MGL Chapter 32, Section 9 request as listed above to a single physician (medical panel) for review as per the remand from PERAC dated 4/15/2021, seconded by MacDonald.

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

PROSPER Update-

- No action needed at this time.

No action was needed at this time.

Old Business- Status of DLS Investigation, status of Teamsters Union Local 170 New Agreement, Union member bonus, position status and 2022 board meeting dates.

The members of the board agreed to have MacDonald and Poore serve as the boards representatives along with the board labor attorney to negotiate the new union agreement to bring back to the board for a vote.

A motion was made by Cleary to accept the 2022 board meeting dates as presented by the administrator, seconded by MacDonald.

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

Minutes

- Review and approve the September 14, 2021 regular meeting minutes. VOTE

A motion was made by Cleary to accept the September 14, 2021 regular meeting minutes, seconded by MacDonald.

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

Correspondence to be reviewed

PERAC Memo #25	9/23/2021	Tobacco Company List
PERAC Memo #26	9/30/2021	Mandatory Retirement Board Member Training-4 th QTR 2021
Wolf Popper, LLP	9/23/2021	Litigation Update
KP/Law	10/6/2021	Extension of Massachusetts Emergency Paid Sick Leave
Eastern Bank	08/2021	Bank Reconciliation

All correspondence was made available for the board's review by the administrator.

New Business-

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

A motion was made by Cleary to keep the board meetings remote through December of 2021, seconded by MacDonald.

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

Adjourn- VOTE

A motion was made by Poore to adjourn the board meeting at 12:33PM, seconded by Cleary.

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

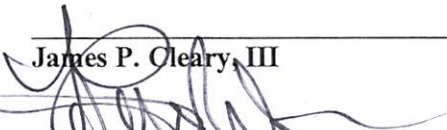
Date of next scheduled Retirement Board meeting is Tuesday, November 9, 2021 at 9:00AM.



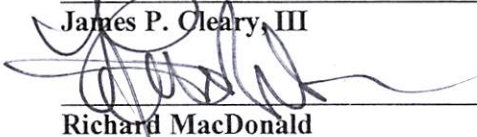
William J. Klueber, Chairman



Charles Benevento



James P. Cleary, III



Richard MacDonald

Lewis F. Poore, Jr.