

## BRISTOL COUNTY RETIREMENT BOARD

At a meeting of the Bristol County Retirement Board held on the 24th day of April, 2019 at the Bristol County Retirement Board Office, 645 County Street, Taunton, Massachusetts at 9:00 A.M.

Present: Christopher T. Saunders, Chairman of the Board  
Stephen J. Rivard, Board Member  
William M. Downey, Board Member  
John T. Saunders, Board Member  
Christine N. DeFontes, Board Member  
Roxanne L. Donovan, Executive Director  
Board Counsel Michael Sacco

**COLA (Cost of Living Adjustment) HEARING-** The Bristol County Retirement Board discussed the annual Cost of Living Allowance increase which is scheduled for July 1, 2019. With discussion of financial performance and a review of the costs associated with a COLA increase, on a motion by Member Downey and second by Member Rivard, the BCRB voted unanimously to grant a **3% increase** to the base amount (\$18,000) allowed effective July 1, 2019 for all retirees who retired on or before June 30, 2018.

### INVESTMENT AND FINANCIAL DISCUSSION

#### Segal Marco Advisors Financial Consultants

In attendance: Kevin Roundtree

1. On a motion by Member Downey and second by Member John Saunders, the BCRB voted unanimously to approve the investment transactions that were executed by Income Research and Management, Inc. (Fixed Income) and Arrowstreet Capital, Earnest Partners, LSV, RiceHallJames, Trust & Fiduciary Services, Lyrical Partners (Equities), and CBRE Clarion (Real Estate) for the month ending March 2019.
2. On a motion by Member Downey and second by Member John Saunders, the BCRB voted unanimously to approve all other investment transactions executed in-house thus far for April 2019.
3. On a motion by Member Downey and second by Member John Saunders, the BCRB voted unanimously to approve the Investment Summary Statement for month ending March 2019 as reported to the BCRB by our custodial bank (People's United); and a year-to-date performance.
4. On a motion by Member Downey and second by Member John Saunders, the BCRB voted unanimously to receive and place on file a memorandum (#12-2019) from Thomas J. O'Donnell, Compliance Officer of PERAC, dated March 27, 2019, to the BCRB regarding Tobacco Company List (Quarterly Memo).
5. RFP responses for Actuarial RFP were reviewed and discussed by the BCRB. Four (4) firms responded. All four met the minimum criteria. After discussion, on a motion by Member Rivard and second by Member Downey, the BCRB voted unanimously to interview KMS, Stone Consulting and Segal (if they are willing to reduce pricing). The interviews will take place at the next Board meeting.
6. Cash flow needs for May were discussed. Mr. Roundtree recommended to raise \$2.0 million each from Lazard and Stone Harbor. On a motion by Member Rivard and second by Member John Saunders, the BCRB voted unanimously to approve the recommendation of Mr. Roundtree.
7. Mr. Roundtree updated the BCRB that the fund overall is up approximately 8% YTD. The Asset Liability Study will begin next month.

**MANAGER REVIEWS:**

All Presentations were sent prior to the meeting.

**ASHMORE**

Conference Call: Xiao Chen and David Muller

Ashmore is an Emerging Markets specialist with long-term experience and a proven track record. Mr. Muller discussed that Ashmore manages capital across eight different investment themes with dedicated strategies under each theme providing either global Emerging Markets exposure or specific regional or county exposure. They expect stronger than average returns in EM fixed income in 2019 due to last years' pullback and the reversal of the global macro risks that marked 2018. The returns YTD through March 31<sup>st</sup> were up 5.4% and through April 23, up 6.4%.

**RBC**

Conference Call: Ashley Hyotte

Ms. Hyotte reviewed the firm overview. They seek superior returns and lower than benchmark risk. The objective is to identify the best values in the world. They are disciplined with a bottom-up value approach. Their investment philosophy is that cash flow is a more reliable metric than earnings-based measures. In 2018, the returns were negative 12.90%. The 1<sup>st</sup> Q 2019, the return was 10.21%. Since inception (7/1/1998), the return has been 9.15%. Ms. Hyotte reviewed the largest contributors and detractors of performance. A review of the country allocations was discussed. RBC is underweight in Japan versus the MSCI EAFE Index as they find greater value elsewhere.

**EASTERN TIMBERLAND**

Conference Call: Tim Hartigan

Mr. Hartigan reviewed the current portfolio. ETO II is fully funded and it has been two years since the end of the investment period. November 2025 is the termination date of the fund. Since inception, the fund has a return of 7.98%. 2018 return was 3.68%. Another distribution expected in the next several months. Mr. Hartigan discussed the opportunity to re-invest on attractive terms with Kingfisher property. There are solar opportunities on the properties.

**BROOKFIELD TIMBER**

Conference Call: Marley Cooper and Mark Bishop

Mr. Bishop noted that the fund continued to operate well in 2018, yielding healthy cash distributions and strong returns. Of note is the Fund's Florestas Sustentaveis investment, as it continues to generate returns in line with the expectations. In Q4 2018, they successfully completed the refinancing of existing term debt at competitive market interest rates. The investment achieved an annualized cash yield of approximately 13% in 2018. The valuation continues to perform in-line with underwriting with an investment IRR of approximately 11%. Given the contractual nature of the operating cash flow, they expect regular distributions going forward, with the next distribution scheduled for May 2019.

**NEW BUSINESS-LEGAL**

**RICHARD COUGHLIN**

Town of Mansfield Retired Police Officer

The BCRB discussed the letter received in regard to possible excess earnings and findings and reviewed a letter from Atty. Michael Sacco relative to those findings. Chairman Saunders addressed Mr. Coughlin to explain the issue and the amount that is believed to be excess earnings. Chairman Saunders explained that the Board is required to recover the amount. Mr. Coughlin was not aware of the limitations for all public employment. Mr. Coughlin's attorney, Stephen Murray, asked for a copy of the letter and the calculation of the excess earnings. Attorney Murray will discuss repayment with his client and present a repayment plan. On a motion by Member Rivard and second by Member Downey, the BCRB voted unanimously to table the matter until the May Board meeting.

**OLD BUSINESS -- LEGAL**

1.

**ANDREW SOUSA**  
**TOWN OF WESTPORT-HIGHWAY DEPARTMENT**  
Ordinary Disability Application  
Attorney: Marc J. Levy

The BCRB reviewed the Regional Medical Panel certificates in which the all three physicians have answered yes to all three questions relative to Mr. Sousa's ordinary disability and a letter from Atty. Michael Sacco relative to those findings. On a motion by Member Rivard and second by Member Downey, the BCRB voted unanimously to approve the ordinary disability retirement of Mr. Sousa, subject to PERAC approval.

2.

**RICHARD PARKER V. BCRB**  
**CR-16-364**  
Town of Mansfield (DPW Worker)

On a motion by Member Rivard and second by Member Downey, the BCRB voted unanimously to receive and place on file DALA's decision which affirms the Board's denial of Mr. Parker's Application for Disability Retirement and a letter from Atty. Michael Sacco relative to those findings.

**NEW BUSINESS -- REGULAR**

1. On a motion by Member Rivard and second by Member Downey, the BCRB voted unanimously to approve the first payment to newly retired members of the Bristol County Retirement System for the month of April 2019:

John A Farias	Town of Raynham	March 25, 2019
Barbara J Haynes	Town of Easton	April 1, 2019
Linda L Marchesi	Town of Freetown Freetown/Lakeville	March 23, 2019
James A Miller	Town of Berkley	March 28, 2019
Linda L Sheridan	Town of Easton	March 10, 2019
Emma I Sullivan	Town of Dartmouth	March 9, 2019

2. On a motion by Member Downey and second by Member Rivard, the BCRB voted unanimously to approve the make-up payments for the purchase of previous creditable service regarding the following members of the retirement system for the month of April 2019.

Kenneth Thompson	Town of Mansfield	4 Years 0 Months Military Buyback
Eric Hajder	Town of Swansea	5 Year 0 Months Call Fire
Sharon Rice	Town of Norton	1 Year 6 Months Refunded State Service

3. On a motion by Member Rivard and second by Member Downey, the BCRB voted unanimously to approve the Bristol County Retirement System fund budget sheet for period ending April 2019.

4. On a motion by Member Rivard and second by Member Downey, the BCRB voted unanimously to approve the Trial Balance of the Bristol County Retirement System for the months ending December 2017 (Final).

5. On a motion by Member Downey and second by Member John Saunders, the BCRB voted unanimously to approve the FY 2018 Annual Statement of the Bristol County Retirement System to be filed with PERAC.

6. On a motion by Member Rivard and second by Member Downey, the BCRB voted unanimously to receive and place on file memorandum (#13-2019) from John Parsons, Executive Director of PERAC, dated March 29, 2019, to the BCRB regarding Mandatory Retirement Board Member Training-2<sup>nd</sup> Quarter 2019.

7. On a motion by Member Rivard and second by Member Downey, the BCRB voted unanimously to receive and place on file memorandum (#14-2019) from John Parsons, Executive Director of PERAC, dated April 2, 2019, to the BCRB regarding Forfeiture of Retirement Allowance for Dereliction of Duty by Members.

8. On a motion by Member Rivard and second by Member Downey, the BCRB voted unanimously to approve the Board Meeting Minutes for the following month:

March 27, 2019

On a motion by Member Rivard and second by Member Downey, the BCRB voted unanimously to adjourn their regular meeting at 11:45 A.M.

The next regular meeting of the Bristol County Retirement Board is scheduled for Wednesday, May 29, 2019, at 9:00 a.m. at the offices of the Bristol County Retirement Board

**SIGNATORIES:**

Prepared by: \_\_\_\_\_  
Roxanne L. Donovan

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Christopher T. Saunders, Chairman of the Board

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Stephen J. Rivard, Board Member

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William M. Downey, Board Member

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John T. Saunders, Board Member

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Christine N. DeFontes, Board Member