

HAVERHILL RETIREMENT BOARD

Tuesday, May 09, 2023 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: May 9, 2023 09:00 AM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/81497884714?pwd=TmEydk9pNE1QeVFwYU9WeVJBNINJQT09>

Meeting ID: 814 9788 4714

Passcode: 727149

One tap mobile

+13092053325,,81497884714#,,,,*727149# US

+13126266799,,81497884714#,,,,*727149# US (Chicago)

Dial by your location

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 646 931 3860 US

+1 929 436 2866 US (New York)

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

+1 689 278 1000 US

+1 719 359 4580 US

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

Meeting ID: 814 9788 4714

Passcode: 727149

Find your local number: <https://us02web.zoom.us/u/kecyGcWH3t>

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

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

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

A motion was made by Cleary to convene in executive session at 9:02AM for the purpose to discuss medical issues pertaining to member disability applications, evidentiary hearings and request for medical panels, seconded by MacDonald.

Roll call vote- 4 yes, MacDonald, Cleary, Perkins and Klueber.

Michael Sacco- 9AM- Board Attorney

William Evans- Review of Medical Panel and application, request clarification from medical panel? - 9:20AM

A motion was made by Cleary to adjourn the executive session at 9:29AM, seconded by MacDonald.

Roll call vote- 4 yes, MacDonald, Cleary, Perkins and Klueber.

Manager Presentation- Fisher- 9:45AM

Fisher Investment (presented by Roman Knysh)

The following information was obtained from the Investment Manager's presentation to the Board on May 9, 2023 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 April 30, 2023.

Fisher Investments ("The Company")

- The Company had \$192 billion in assets under management and \$4.4 billion in small cap value assets.
- They reported no changes to the Investment Policy Committee.
- There were no legal or regulatory issues to report.

Performance Update (Net of Manager fees)

	Portfolio	Russell 20000 Value
YTD	-1.3	3.1
1 Year	-12.0	-8.0
3 Year	15.4	15.4
5 Year	3.7	2.9

Since Inception (2/1/2000)	11.7	8.6
----------------------------	------	-----

Portfolio Characteristics:

	Portfolio	Russell 2000 Value
Number of Holdings	105	1,356
Weighted Average Market Cap (B)	3.8	2.4
Trailing P/E	11.0	10.7
Price/Book Value	1.6	1.4
Price/Sales	0.8	0.8
Dividend Yield (%)	1.5	2.4

- The Portfolio is underweight to Financials, Utilities, Real Estate, Energy, Communication Services and REITs
- The Portfolio is overweight in Consumer Discretionary, IT, Materials, Health Care and Industrials
- Over the last year, the Portfolio lagged the benchmark. The underperformance was due to stock selection in Energy, Financials, IT, Materials and Industrials. Sector selection in Financials, Consumer Discretionary, IT, Materials and Industrials contributed to the performance.

Manager and RFP Presentation-	IR&M-	10:05AM
-------------------------------	-------	---------

Income Research & Management (presented by Jonathan Higley and Justin Quattrini)

The following information was obtained from the Investment Manager's presentation to the Board on May 9, 2023 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 of March 31, 2023.

IRM ("The Company") Core Bond Fund II LLC (The Fund)

- The company remained private (69 employees are shareholders) and had \$ 92.4 billion in assets under management. The firm celebrated 35 years of doing business in March 2022.
- The firm welcomed Erin King, CFA as Chief Strategy Officer and John Trydahl, Business Development and Strategy.

- The firm exclusively manages U.S. dollar-denominated fixed income. The breakdown of assets by strategy are 20% short, 29% intermediate, 31% core and 20% long duration.
- The firm had no legal or regulatory issues to report.
- There have been no changes in senior management.

Performance Update (Net of Manager fees)

	Portfolio	Bloomberg Aggregate Index*
YTD	3.42	2.96
1 Year	-4.26	-4.78
3 Year	-1.50	-2.77
5 Year	1.66	0.91
7 Year	1.60	0.88
10 Year	1.87	1.19

Portfolio Characteristics:

	Portfolio	Bloomberg Aggregate Index
Yield (%)	4.75	4.40
Spread to Tsy (bps)	94	57
Effective Duration	6.34	6.33
Convexity	0.67	0.59
# of issues	506	13,278
Average Quality	Aa/AA-	Aa2/AA

IRM is positioning the portfolio against continued economic weakness but do not make duration bets. The manager has seen relatively resilient spreads within the industrial sector, but their positioning has been continuously de-risking since the beginning of the year. The AAA exposure in the portfolio has been increasing while their BBB exposure decreased. IRM believes lower quality BBBs are not attractive as they expect higher volatility. The portfolio has a 35 basis point yield advantage vs. the index.

Investment Consultant Review & Update Report

- Overview of Markets and Performance Report
 - Investment Rebalancing
 - Asset Allocation
 - RFP Presentations: Garcia Hamilton & Associates and Brandywine Global- 10:20AM and 10:35AM
 - RFP approval for Value Added Real Estate
 - Manager presentations for June
1. Wainwright Investment Counsel (WIC) provided a market update as of May 2, 2023. WIC discussed the March 2023 performance.

2. Wainwright Investment Counsel (WIC) provided a rebalancing report as of May 2, 2023. 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 April 30, 2023.
4. Wainwright Investment Counsel (WIC) reported a summary of all the partnerships as of December 31, 2022.
5. David Van Dam will request \$2 million from Pension Reserves Investment Management Board (PRIM) to cover benefit payments for April.
6. The Board interviewed the finalist for the Investment Grade Fixed Income search: IR&M, Brandywine and Garcia Hamilton & Associates. The Board voted to renew the contract for Income, Research & Management for \$10 million and hired Brandywine for \$5 million. Both hires pending PERAC approval and legal review.

A motion was made by Cleary to approve up to \$10 million for Income, Research & Management (IR&M), subject to fees, after the RFP finalist interviews for Investment Grade Fixed Income as well as up to \$5 million for Brandywine Global, seconded by Perkins.

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

7. Wainwright Investment Counsel (WIC) will try to schedule two managers for the June 2023 meeting.
8. Wainwright Investment Counsel (WIC) will provide details on how to allocate the \$24,165,700 in appropriations expected to be received at the beginning of July 2023.
9. The Board voted to approve the issuance of the valued added real estate Request for Proposal (RFP) for up to \$7 million.

A motion was made by Cleary to approve the RFP for Value Added Real Estate for up to \$7 million, seconded by MacDonald.

Roll call vote- 4 yes, MacDonald, Cleary, Perkins and Klueber.

NEXT BOARD MEETING:

- Provide proposal allocation for the upcoming appropriation.
- Assist David in sending the legal documentation and Public Employee Retirement Administration Commission (PERAC) documents on the two selected Investment Grade Fixed Income managers.

- Invite two managers to present at the June meeting.

Warrants

Review and approve the warrants:

- April 2023 Warrant #04-2023: \$2,505,401.84 (approved to transfer up to \$2,000,000.00) and transferred \$2,000,000.00.

A motion was made by MacDonald to accept the April 2023 Warrant for \$2,505,401.84 as listed above, seconded by Cleary.

Roll call vote- 4 yes, MacDonald, Cleary, Perkins and Klueber.

- Estimated May 2023 Warrant: \$2,700,000.00. Up to \$2,000,000.00 for May 2023 month end Warrant.

A motion was made by Cleary to accept the Estimated May 2023 Warrant for \$2,700,000.00 as listed above, seconded by MacDonald.

Roll call vote- 4 yes, MacDonald, Cleary, Perkins and Klueber.

2022 Annual Statement- Vote

A motion was made by Perkins to accept the 2022 Annual Statement, seconded by Cleary.

Roll call vote- 4 yes, MacDonald, Cleary, Perkins and Klueber.

New Member Enrollments- VOTE

Acknowledge new member enrollments:

- **City of Haverhill- Haverhill Public Schools:** Bianca DelGrosso, Kevin Winship, Bruilda Cruz and Danielle Ferriman.

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

Roll call vote- 4 yes, MacDonald, Cleary, Perkins and Klueber.

Buybacks/Makeups-

- Steven Allen is requesting to enter into a 5 year payment plan with the board to buyback 1 yr., 10 months of time work for his work as a Mason for the City of Haverhill-Highway Department from (February 29, 2008 through September 07, 2013); \$7,907.75. (Please see letter from Mr. Allen).

A motion was made by Cleary to accept the request made by Mr. Allen as stated above, seconded by Perkins.

Roll call vote- 4 yes, MacDonald, Cleary, Perkins and Klueber.

- Denise Galvin is requesting to buyback 1 yr., 7 months of time work for her work as an ESP with the Haverhill Public Schools (October 03, 2016 through August 30, 2018); \$3,048.57. (Please see letter from Ms. Galvin).

A motion was made by Cleary to accept the request made by Ms. Galvin as stated above, seconded by Perkins.

Roll call vote- 4 yes, MacDonald, Cleary, Perkins and Klueber.

- Denise Galvin is requesting to makeup 1 yr., 0 months of credible service from her work as an ESP with the Haverhill Public Schools (September 08, 2013 through September 07, 2014); \$1,494.82. (Please see letter from Ms. Galvin).

A motion was made by Cleary to accept the request made by Ms. Galvin as stated above, seconded by Perkins.

Roll call vote- 4 yes, MacDonald, Cleary, Perkins and Klueber.

Refunds-

- Kristen Ventola (\$1,455.39; 0 yrs., 11 months, Haverhill Public Schools) and Lisa Gaudette (\$8,370.61; 4 yrs., 7 months, Haverhill Public Schools).

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

Roll call vote- 4 yes, MacDonald, Cleary, Perkins and Klueber.

Rollovers-

- Courtney Clark (\$2,620.87; 0 yrs., 6 months; Haverhill Public Schools) and Cheryl Boulay (\$1,091.75; 0 yrs., 2 months; Haverhill Public Schools).

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

Roll call vote- 4 yes, MacDonald, Cleary, Perkins and Klueber.

Transfers-

- **City of Haverhill- Haverhill Public Schools:** Kelsey Denn (\$8,280.64; 4 yrs., 0 months- MTRS), Cassandra Mancini (\$1,459.60; 1 yr., 7 months- MTRS) and Justin Cook (\$20,772.61; 5 yrs., 7 months- MTRS).

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

Roll call vote- 4 yes, MacDonald, Cleary, Perkins and 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 Fire Department:** Brian Sawyer (04/29/2023; 33 yrs., 4 months). **City of Haverhill- Haverhill Public Schools:** Patricia Corthell (06/30/2023; 28 yrs., 6 months), Debra Garvey (06/24/2023; 21 yrs., 9 months) and Kathryn Quigley (06/30/2023; 25 yrs., 1 month).

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

Roll call vote- 4 yes, MacDonald, Cleary, Perkins and Klueber.

PROSPER Update-

- No action needed by the board at this time.

Old Business-

No old business was discussed.

Minutes

- Review and approve the April 11, 2023 Regular Meeting Minutes and the April 11, 2023 Executive Session Meeting Minutes. VOTE

A motion was made by Cleary to accept the April 11, 2023 Regular Meeting Minutes, seconded by Perkins.

Roll call vote- 4 yes, MacDonald, Cleary, Perkins and Klueber.

A motion was made by Cleary to accept the April 11. 2023 Executive Session Meeting Minutes, seconded by Perkins.

Roll call vote- 4 yes, MacDonald, Cleary, Perkins and Klueber.

Correspondence to be reviewed

PERAC Memo #12	04/07/2023	Forfeiture of Retirement Allowance For Dereliction of Duty by Members
WolfPopper LLP	04/21/2023	Litigation Update
Scott+Scott	05/03/2023	1Q23 Litigation Update
Eastern Bank	03/2023	Bank Reconciliation

The administrator provided all correspondence for the board to review.

New Business-

- Update on election process.

The administrator updated the board on the election progress to date.

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

Adjourn- VOTE


A motion was made by MacDonald to adjourn the board meeting at 11:31AM, seconded by Cleary.

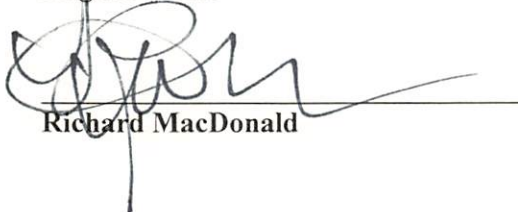
Roll call vote- 4 yes, MacDonald, Cleary, Perkins and Klueber.

Date of next scheduled Retirement Board meeting is Tuesday, June 13, 2023 at 9:00AM.


William J. Klueber, Chairman


James P. Cleary, III


Angel Perkins


Richard MacDonald