

HAVERHILL RETIREMENT BOARD

Tuesday, March 12, 2024 9:05AM

Haverhill City Hall, Haverhill Retirement Office, Room 303 and online.

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

Topic: Haverhill Retirement Board COLA Meeting

Time: Mar 12, 2024 09:00 AM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/85983518131?pwd=Z0pnUVhkQmhCS2luUkFvRCtsaGVJQT09>

Meeting ID: 859 8351 8131

Passcode: 253408

One tap mobile

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Find your local number: <https://us02web.zoom.us/j/khXo9tOVg>

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

A motion was made by Perkins to open the meeting at 9:04AM, seconded by Cleary.

Roll call vote- 5 yes, Cleary, Perkins, MacDonald, Haugh and Klueber.

In attendance: Board Members: James Cleary, Angel Perkins, Richard MacDonald (in person at 9:40AM), Anthony Haugh, Gus Aristizabal (Wainwright Investment Counsel), Laura Angus (Benefits Counselor/Records Access Officer) and David Van Dam, Administrator.

Remote: Richard MacDonald (until 9:40AM, then in person) and William Klueber.

Manager Presentations-

- Putnam

Putnam Investments (presented by William Monroe and Lisa Horkan)**Putnam Investments (“The Company”) U.S. Small Cap Growth (“The Strategy”)**

- The company has \$ 77 billion in assets under management in equity investments
- They informed the Board “Franklin Templeton completed the acquisition of Putnam as of 12-31-2023, preserving the investment team’s integrity and philosophy. The equity teams continue to manage assets the same way they did before the acquisition.”
- They did not disclose and legal or regulatory issue at the Company.
- The Portfolio Manager, William Monroe, is supported by two dedicated analysts: Tania Harsono, and Jarrod Burton. Ryan Leonard, CFA, left on February 8th, 2024. William is in the process of looking for a replacement and will report back when they hire someone. A team of 30 analysts and 15 portfolio managers further supports Mr. Monroe.

	YTD (February 2024)	2023	1 yr.	3 Yrs.	5 Yrs.	Since PM Inception	10 Yrs.
Portfolio (gross) ¹	11.30	26.40	26.04	1.61	14.13	15.66	11.87
Russell 2000 Growth	4.66	18366	13.59	-4.76	6.39	8.07	7.27

The since PM (Bill Monroe) Inception is 3/31/2017.

Portfolio Characteristics:

	Product	Benchmark
Current Number of Holdings:	86	1073
Annual Turnover (LTM):	73%	
Current P/S:	2.6x	2.0x
Earnings Growth (Next 5 Yrs.):	17.4%	15.9%
Weighted Average Market Cap:	\$5.0B	\$1.3B
Median Market Cap:	\$5.5B	\$3.9B
Beta (last 5 yrs.):	0.88	
Tracking Error (last 5 yrs.):	6.31	
Up Capture Ratio (last 5 yrs.):	100.39%	
Down Capture Ratio (last 5 yrs.):	78.72%	

1=Gross of manager, consultant and custodian fees.

As of December 31, 2023 the portfolio was overweight Industrials, Materials and Consumer Discretionary and underweight Utilities, Health Care, Communication Services, Consume Staples, Real Estate, IT, Financials and Energy. During 2023, the IT, Industrials, Consumer Discretionary, Financials, Materials, Utilities, Consumer Staples, Real Estate and Energy had

positive contribution to performance. Health Care and Communication Services were the only two sectors that detracted.

- Brandywine

Brandywine Global (presented by Brian Giuliano and Steven Szostak)

Brandywine Global (“The Company”) U.S. Fixed Income (“The Strategy”)

Assets Under Management

AUM Company: \$62.3 billion

AUM Strategy: \$3.9 billion

There have not been any changes to the team or any legal or regulatory issues to report.

The team is comprised of 7 portfolio managers, 18 research analysts and 9 traders.

	Q4-23	2023	3 Yrs.	5 Yrs.	SI	Inception Date
U.S. Fixed (Net) ²	4.95	8.68	-1.75	4.65	6.25	10/01/1995
Bloomberg Agg	3.83	6.82	-3.31	1.10	4.33	

The strategy overweight U.S. Treasury Duration when spreads are narrow. They add duration by overweighting intermediate and long-term Treasuries (5, 10, 30 yrs.). In addition, the portfolio is underweight credit with minimal exposure to IG corps and overweight to MBS.

Portfolio Characteristics:

	Portfolio	Bloomberg Index
Yield-to-Maturity (5)	4.55	4.53
Yield-to-Worst (%)	4.55	4.53
Effective Duration	9.01	6.24
Average Maturity	19.95	8.46
Average Market Price	96.77	-
Average Coupon (5)	4.46	3.19
Current Yield (%)	4.41	3.38
# of Issues	32	13,334

² Net of investment manager and trading fees, but gross of consultant and custodian fees.

Sector Breakdown:

	Portfolio	Bloomberg	Index Active
U.S Treasury & Gov't Related	49.6	46.4	3.1
Securitized	43.0	28.7	14.2
Corp Bond (IG)	5.3	24.9	-19.5
Cash	2.2	0.0	2.2
Total	100.0	100.0	-
Credit Quality:			

	Portfolio	Cumulative
AAA	2.2	2.2
AA	92.4	94.6
A	2.1	96.7
BBB	3.3	100.0

Current Views:

In the U.S. -

Soft-landing probabilities have increased

- Significant easing of financial conditions
- Inflation is melting, potential for downside surprises
- Fed easing cycle in sight
- Solid Consumer balance sheets, real income growth
- Reasonably healthy corporate sector

Hard landing risk remains

Lagged impact of FED tightening cycle

- Less fiscal support
- Excess savings depleted, delinquency rising
- Bank lending standards tight

Investment Consultant Review & Update Report

- Overview of Markets and Performance Report
 - Funds Consolidation to Pension Reserves Investment Trust (PRIT)
 - Manager Presentation for April
1. Wainwright Investment Counsel (WIC) provided a market update as of March 5, 2024. Wainwright Investment Counsel (WIC) discussed the preliminary January 2023 performance.
 2. Wainwright Investment Counsel (WIC) provided a rebalancing report as of March 4, 2024. Wainwright Investment Counsel (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 February 29, 2024. WIC provided an update from Putnam on the departure of one of their analysts.
 4. Wainwright Investment Counsel (WIC) presented a summary of all the partnerships as of September 30, 2023.
 5. David, the administrator informed the Board that he would take \$2 million from Pension Reserves Investment Trust (PRIT) Fund to make benefit payments. He also indicated that he did not take any money from IR&M last month.

6. Wainwright Investment Counsel (WIC) provided a report on the effect of transitioning assets to the PRIT Fund. Wainwright Investment Counsel (WIC) illustrated that such a switch will imply a potential allocation to private equity close to 22%. The Board requested to continue to report and they agreed the transition had to be done gradually as liquidity was available.
7. The Board would like to invite two managers to present at the next meeting.

Dennis Moriarty 91A Re-Payment- Vote

A motion was made by MacDonald to recover the \$8,708.66 owned by Mr. Moriarty for his 91A Overearnings by holding back equal payments over the remainder of 2024 until the money is paid back, seconded by Haugh.

Roll call vote- 5 yes, Cleary, Perkins, MacDonald, Haugh and Klueber.

Warrants

Review and approve the warrants:

- February 2024 Warrant #02-2024: \$2,787,630.47 (approved to transfer up to \$2,000,000.00) and transferred \$2,000,000.00.

A motion was made by Perkins to accept the February 2024 Warrant as listed above for \$2,787,630.47, seconded by Cleary.

Roll call vote- 5 yes, Cleary, Perkins, MacDonald, Haugh and Klueber.

- Estimated March 2024 Warrant: \$2,600,000.00 Up to \$2,000,000.00 for March 2024 month end Warrant.

A motion was made by Haugh to accept the Estimated March 2024 Warrant as listed above for approximately \$2,600,000.00, seconded by MacDonald.

Roll call vote- 5 yes, Cleary, Perkins, MacDonald, Haugh and Klueber.

New Member Enrollments- VOTE

Acknowledge new member enrollments:

- **City of Haverhill- Haverhill Public Schools:** Amandla Cardenas Escobar, Emily Shippee, Moises Suarez, James Tavares, Michael Fenandez, Marie Dina Jean Gilles, Matthew Milne, Nicole Cico, Patricia Boyd, Kara Percival, David Sanok, Christopher Plasencia and Jamal Lambert. **City of Haverhill- Inspectional Services:** David Cassidy and Sujaliz Dominguez. **City of Haverhill- Human Services:** Jared DeRoche. **Whittier Vo-Tech:** Jenny Greene and Anthony Pisano. **City of Haverhill- Haverhill Police Department:** Jameson Salomon.

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

Roll call vote- 5 yes, Cleary, Perkins, MacDonald, Haugh and Klueber.

Buybacks/Makeups-

- Ms. Constance Dickopf would like to buyback 1 yr., 2 months of time from November 22, 2004 to December 31, 2006 at a cost of \$2,691.78, when she worked as a part time ESP with the Haverhill Public Schools. (Please see letter from Ms. Dickopf).

A motion was made by MacDonald to accept the buyback request from Ms. Constance Dickopf as listed above, seconded by Haugh.

Roll call vote- 5 yes, Cleary, Perkins, MacDonald, Haugh and Klueber.

- Mr. William O'Connell would like to buyback 2 years and 7 months of active military duty from February 13, 1991 to May 30, 1991 and March 03, 2003 to June 18, 2003 as well as reserve time from June 20, 1989 to June 18, 2003 at a cost of \$8,183.44. (Please see letter from Mr. O'Connell).

A motion was made by Haugh to deny Mr. William O'Connells request as listed above for a military buyback due to new rules outlined by PERAC, seconded by Perkins.

Roll call vote- 5 yes, Cleary, Perkins, MacDonald, Haugh and Klueber.

Refunds-

- Steven Curtis (\$41,061.24; 7 yrs., 3 months, City of Haverhill).

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

Roll call vote- 5 yes, Cleary, Perkins, MacDonald, Haugh and Klueber.

Rollovers-

- Linda Maneen (\$12,222.70; 6 yrs., 3 months; Haverhill Public Schools).

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

Roll call vote- 5 yes, Cleary, Perkins, MacDonald, Haugh and Klueber.

Transfers-

- **City of Haverhill- Haverhill Public Schools:** Mercedes Cabrera (\$12,212.91; 3 yrs., 11 months- Danvers) and Emma Bianculli (\$2,174.66; 0 yrs., 4 months- MTRS). **City of Haverhill:** Kerri MacLaury (\$3,414.06; 0 yrs., 6 months- Middlesex).

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

Roll call vote- 5 yes, Cleary, Perkins, MacDonald, Haugh 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 Parks Department:** Cornelius O'Regan (02/01/2024; 12 yrs., 3 months). **City of Haverhill- Haverhill Fire Department:** Marc A. Wunderlich (02/25/2024; 27 yrs., 2 months).

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

Roll call vote- 5 yes, Cleary, Perkins, MacDonald, Haugh and Klueber.

Survivor Section 101 Death Benefit- Ms. Claire Girroir is requesting (letter in packet) the Survivor Section 101 Death Benefit, spouse of Edwin V. Girroir- Vote

A motion was made by Haugh to accept the Survivor Section 101 Death Benefit request from Ms. Claire Girroir, due to the death of her husband Edwin V. Girroir as listed above, seconded by MacDonald.

Roll call vote- 5 yes, Cleary, Perkins, MacDonald, Haugh and Klueber.

Survivor Section 101 Death Benefit- Ms. Janice M. Gaudreau is requesting (letter in packet) the Survivor Section 101 Death Benefit, spouse of Robert M. Gaudreau- Vote

A motion was made by MacDonald to accept the Survivor Section 101 Death Benefit request from Ms. Janice M. Gaudreau due to the death of her husband Rober M. Gaudreau, seconded by Haugh.

Roll call vote- 5 yes, Cleary, Perkins, MacDonald, Haugh and Klueber.

PROSPER Update-

- Board Member Statement of Financial Interest (SFI) due by May 1, 2024.

The administrator notified the board that each member needed to file their Statement of Financial Interest (SOFI) to PERAC no later than May 1, 2024.

Old Business-

- Office computer equipment-

The administrator notified the board that the office computer equipment and technology has been ordered.

Minutes

- Review and approve the February 13, 2024 Regular Meeting Minutes and February 13, 2024 Executive Session Meeting Minutes. VOTE

A motion was made by MacDonald to approve the February 13, 2024 Regular Meeting Minutes

as presented, seconded by Perkins.

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

A motion was made by MacDonald to approve the February 13, 2024 Executive Session Meeting Minutes as presented, seconded by Perkins.

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

Correspondence to be reviewed-

Wolf Popper	02/14/2024	Litigation Update
PERAC Pension Newsflash	02/15/2024	Change in Management
Eastern Bank	01/2024	Bank Reconciliation

The administrator provided all correspondence for the board to review.

New Business-

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

MACRS Spring Conference- June 2-5, 2024-

A motion was made by MacDonald to allow any members or staff to attend the 2024 MACRS Spring Conference, seconded by Haugh.

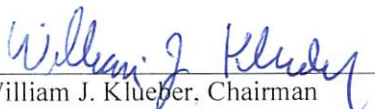
Roll call vote- 4 yes, Cleary, Perkins, MacDonald and Klueber, 1 abstain (Haugh).

Adjourn- VOTE

A motion was made by Cleary to adjourn the board meeting at 11:21am, seconded by MacDonald.


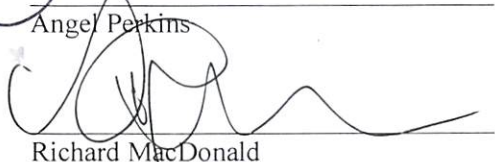
Roll call vote- 4 yes, Cleary, Perkins, MacDonald and Klueber, 1 abstain (Haugh).

Date of next scheduled Retirement Board meeting is Tuesday, April 09, 2024 at 9:00AM in person and online.


William J. Klueber, Chairman


James P. Cleary, III


Anthony L. Haugh


Angel Perkins

Richard MacDonald