

A meeting of the Dedham Retirement Board having been duly noticed, was held on Wednesday, March 16, 2022 at 11:00 A.M. at the office of the Retirement Board, 202 Bussey Street. Pursuant to the March 12, 2020 Order of the Governor Suspending Certain Provisions of the Open Meeting Law, Board members and members of the public have access to the meeting via Zoom: <https://us06web.zoom.us/j/83546486312>; Meeting ID: 835 4648 6312; One tap mobile 929.436.2866 US (New York). The following were present:

Thomas Rorrie	Stephen MacDougall
John (Rosco) Maloney - ABSENT	Shannon MacKenzie - Remotely
Michael Butler	Barbara Isberg, Administrator
Kevin McCarthy, Asst. Administrator	James Quirk, Attorney

Chairman Rorrie called a roll call to ensure the Board members listed above were all present either in person or online:

Mr. Rorrie	Present	Mr. MacDougall	Present
Ms. MacKenzie	Present	Mr. Butler	Present

Mr. Rorrie called the meeting to order at approximately 11:01 A.M.

Also, in attendance were: Dave Roberts from the Dedham Finance/Warrant Committee was in-person. Virtually, Dedham Town Manager, Leon Goodwin; PRIM's Francesco Daniele; Lisa Van Dermark of Segal Group; and Brian Kerby, Production Manager for Dedham Television. During the meeting Dennis Teehan joined online.

### **PRIM Annual Update:**

Mr. Francesco Daniele, Pension Reserves Investment Management's (PRIM) Director of Client Services, joined the meeting remotely to provide the annual PRIM performance update for 2021 with a 71 slide PowerPoint presentation. Some of the highlights that Mr. Daniele addressed were the recent recognitions that PRIM has received nationally. For the 4th consecutive year, PRIM has completed the CFA Institute's Global Investment Performance Standards of Integrity and transparency. PRIM is one of only a handful of large public pension plans to comply with the GIPS standards. For the 16<sup>th</sup> consecutive year, PRIM was awarded the Government Finance Officer Association's Certificate of Achievement for Excellence in Financial Reporting. Additional firms have joined with PRIM and the MIT Sloan Sustainability Initiative as founding members of the Aggregate Confusion Project. The groundbreaking collaboration seeks to create more reliable and transparent Environmental, Social, and Governance (ESG) data and benchmarks for Investors. PRIM's Private Equity Portfolio has been ranked #4 among 176 U.S. public pension funds based on 10-year performance by the American Investment Council's Public Pension Study. PRIM is the only fund that has been in the top five every year the study has been conducted, including #1 rankings in 2019, 2018, 2015, and 2013.

As of February 17, 2022, PRIT tweaked the target asset allocation of the portfolio with a slight reduction in Global Equity offset by the same with an increase in Private Equity. There were no

changes to the Core Fixed Income (F/I), Value-added F/I, Real Estate, Timberland (lumber), and Portfolio Completion Strategies. The market value of the fund topped \$100 Billion (B) for the first time, closing December 31, 2021 with \$104.3(B). For the year, the fund recognized a 20.6% return, gross of fees, which exceeded the core benchmark by 8.6%. The fund also beat the benchmark for the 3, 5, and 10-year annualized returns by 3.6%, 2.7%, and 2.0%, respectively. This was further broken down by class performance for the past year as well. The data was then broken down into sub-categories and divisions. It was noted on slide #31 the expense ratio for the year was 49 basis points (bps), the first time it dropped below 50 bps since 2004. After an overview of the performance specifically for the Dedham Retirement Board's holdings, Mr. Daniele answered several questions and then indicated he would stay for the Segal's presentation in case there were additional inquiries he could help provide insight on.

**Actuarial Valuation:**

Ms. Lisa VanDermark, Vice President & Consulting Actuary for the Segal Group, addressed the Board as part of the preliminary planning discussion regarding the full actuarial valuation and review as of January 1, 2022. The report will be used to establish the funding requirements for fiscal year 2022 and later years. The prior analysis used an assumed rate of return on the market value of assets of 7.25%. Segal is suggesting a reduction of that rate to 7.00% which is the high end of the expected range that the Public Employee Retirement Administration Commission (PERAC) will recommend of 6.875% - 7.000%. Segal does not expect any of their clients to use a rate greater than 7.00% for the 1/1/22 reporting season. After reviewing additional assumptions from the prior report, Ms. VanDermark was seeking what assumptions the Board members might want to adjust for the current analysis. After a very lengthy discussion, it was decided that the first drafts should use an assumed rate of return of 7.00%, the funding maturity date not be changed, and the same mortality table from the prior review with the annual update to the scale be used. A study of a COLA increase to the base of \$16,000 and \$18,000 should also be included with the understanding that the cost for \$17,000 would be approximately half-way between the two. In addition, Segal will attempt to maintain a steady cash-flow of the \$4.78M throughout the funding. Alternatively, they will try to reduce the percent increase in actuarially determined contributions to between 2.5% and 3.00% from the current 4.97%, while maintaining the current maturity date.

**Accounting/Reconciliation:**

Chairman Rorrie indicated that the Cash Book binders on the table had been reviewed and all is in order through January 2022.

Mr. MacDougall moved, Mr. Butler seconded, and on a roll call vote:

Mr. Rorrie	Yes	Mr. MacDougall	Yes
Ms. MacKenzie	Yes	Mr. Butler	Yes

**Voted:** To approve the Cash Books through December 2021 and January 2022.

**Minutes:**

Mr. Butler moved, Mr. MacDougall seconded, and on a roll call vote:

Mr. Rorrie	Yes	Mr. MacDougall	Yes
Ms. MacKenzie	Yes	Mr. Butler	Yes

**Voted:** To approve the minutes from the February 16, 2022 meeting.

**Warrants:**

The members reviewed and approved the March warrants.

Mr. MacDougall moved, Mr. Butler seconded, and on a roll call vote:

Mr. Rorrie	Yes	Mr. MacDougall	Yes
Ms. MacKenzie	Yes	Mr. Butler	Yes

**Voted:** To ratify the March vouchers as prepared.

**Old/New Business:**

Attorney Quirk provided a brief overview of the Cybersecurity coverage the Board maintains via Amity Insurance.

Attorney Quirk also presented a synopsis of the Involuntary Retirement process with the pros and cons for the members.

**Administrator’s Report:**

The MACRS conference will be live this year in Hyannis from June 13 – 15.

PERAC issued MEMO #9/2022 RE: Extension of Open Meeting Law Waivers. With the passage of Sections 3, 4, and 5 of Chapter 22 of the Acts of 2022, the Open Meeting Law waivers have been extended to July 15, 2022.

Ms. Isberg indicated that the annual COLA meeting will be held on May 18th at 11:00 A.M.

The next two board meetings will be held at 11:00 A.M. on April 20 and May 18, 2022.

Mr. Butler moved, Ms. MacKenzie seconded, and on a roll call vote:

Mr. Rorrie	Yes	Mr. MacDougall	Yes
Ms. MacKenzie	Yes	Mr. Butler	Yes

**Voted:** To adjourn at 12:40 P.M.

_____ Thomas Rorrie, Chairman	_____ Stephen MacDougall
_____ ABSENT John Maloney	_____ Shannon MacKenzie
_____ Michael Butler	

APPROVED