



**Advisory Committee  
MEETING MINUTES  
Thursday, March 23, 2017  
GAR Hall  
Scituate, MA  
7:00 pm**

**Committee Members Present:** Jamie Gilmore, Mark Sandham, Lincoln Heineman, Patrice Metro, Geoff Burns, Michael Westort, Jerry Kelly

**Committee Members Absent:** Anthony Antoniello, Sean deLacy

**Also in Attendance:** Nancy Holt (Finance Director), Patricia Vinchesi arrived late (Town Administrator), Dan Dynan (Meketa Investment Group), David Sullivan (Executive Director of PCR), Thomas O'Brien (Treasurer of Plymouth County), John Sciarra (Board of PCR/Scituate resident)

The Meeting was called to order at by 7:03pm by Jamie Gilmore.

**Agenda for Thursday March 23, 2017 approved by Mark Sandham second by Geoff Burns (7-0)**

**Plymouth County Retirement:**

Plymouth County Retirement bills the Town annually for its share of its fiscal year appropriation. Employees of all member units of the Plymouth County Retirement Association who are employed for a minimum of 20 hours per week and earn a minimum of \$5,000 per year must become members of the retirement association. Scituate's assessment has increased 3.6% over the FY17 assessment. FY15 marks the first year the revised mortality tables were reflected in each community's rate. The Town takes advantage of the savings benefit by paying an annual July assessment rather than the higher cost of the semi-annual payment that includes interest. For FY18 the savings to the Town equals \$87,153. The FY17 and FY18 Assessments were expected to increase by 8%. The unrecognized gains for the last two years resulted in a net asset gain, decreasing the FY17 and FY18 Assessment. The FY19 Assessment is expected to increase by 8%.

Tom O'Brien presented. Since the Global Financial Crisis (2008), PCR has out performed 5 out of the 8 companies. For the period ending February 28, 2017, the total plan policy YTD fund is 15.56 while the Pension Reserves Investment Trust total fund is 14.31. They say they are very happy with their progress.

David Sullivan has been in the business for around 34 years. He said they are a staff of 10. They are always working on improvement within the staff and working together. They want to educate their members regarding their retirement/membership.

Tom said that investing is important but it's also very important to them to communicate with

people. They are thrilled to explain to people what they do. Tom said in his ten years working for the Association, he hasn't received one complaint of the staff.

Dan Dynan presented for Meketa Investment Group. He's been in the investment business for 10 years. Meketa is located in Westwood. They are a full service investment consulting and advisory firm. They are 100% independently owned by senior professionals of the firm. They advise in the aggregate assets of over \$860 billion. They currently advise approximately \$388 billion for 41 public fund clients throughout the nation. The secular decline in investment returns of a portfolio comprised of 65% domestic stocks and 35% investment grade bonds has produced diminishing expected returns as well as actual returns over the past thirty years. Meketa advises Plymouth County based on national trends/results. Geoff Burns asked about fees. Dan Dynan said it's a flat fee for service, no conflicts of interests. Tom O'Brien said Plymouth County reports all fees.

Jerry Kelly asked about liquidity. Dan Dynan said they do have 60% of their assets in daily valued funds.

Long-term investors can seek to reduce fees where appropriate, benefit from the relative growth of emerging markets, emphasize Illiquid Investments, and be willing to accept risk. PCRA recently negotiated \$256,000 in annual management fee savings. PCRA invests directly in private equity funds, eschewing fund of funds management fees. PCRA recently increased its investments in emerging markets. Private equity has historically outperformed public equities and hedge funds. PCRA recently increased its allocation to private investments. PCRA committed \$98 million to seven top-tier private investments over the last 18 months. The PCRA Board understands that earning the target return is primary goal of the Association, and is willing to do what is necessary to achieve it.

Jerry Kelly asked about passive investments. Dan said he thinks passive investments will increase over time. Jerry is supportive of this.

Mark Sandham expressed concern over the lack of clear guidance over consistent assessments and proper guidance on future PCRA assessments to the Town as well as PCRA's past consideration of pension obligation bonds and if they pursue this course in the future to consult member towns.

After PCRA left: There was discussion about whether the Town could go off the county plan. Patricia said it would take years. Hingham does their own administration. PCRA is run by 5 board members. They are closely tied to Mayflower Health. Jamie Gilmore suggested that maybe this Advisory Committee could talk with other towns' Advisory Committees to see how they feel about this situation.

#### **WARRANT ARTICLES:**

*Patricia said there was a budget miscalculation. She will recommend to the Board that the excess move into Free Cash. Not ready to be voted by Advisory because Board of Selectman haven't completed votes. Advisory will schedule meeting next week (3/30).*

**Meeting Minutes for Thursday March 16, 2017 accepted by Geoff Burns second by Mark Sandham (7-0)**

New Business  
Miscellaneous

There being no other business to discuss Jamie Gilmore adjourned at 9:00pm second by Mark Sandham (unanimous vote 7-0)

Respectfully Submitted,  
Kelli Rodgers  
Recording Secretary