

**GREATER NEW BEDFORD REGIONAL REFUSE MANAGEMENT DISTRICT
DISTRICT MEETING – February 15, 2018**

Minutes

The Greater New Bedford Regional Refuse Management District Committee held a publicly posted meeting on **Thursday, February 15, 2018 at 8:00 AM** at the Dartmouth Town Hall, Room 305, 400 Slocum Road, Dartmouth, MA.

District Committee Members in attendance: Rosemary Tierney, Chairperson; Daniel Patten, John Beauregard, Christine LeBlanc, Larry Worden.

Not in attendance: Nathalie Dias, Vice-Chairperson

Also present: Scott Alfonse, Executive Director; Leonor Ferreira, Secretary; Attorney Matthew J. Thomas, District Counsel; Alexander C. Bartholomew and Michelle Newcomb, Bartholomew & Co. representatives.

1. Call to order by Chairperson Rosemary Tierney; roll call of members

Chairperson Tierney called the meeting to order at 8:00 AM.

2. Salute to the Flag

All in attendance stood to salute the flag.

Chairperson Tierney read the notice advising the Board that the meeting may be recorded by audio and/or video.

3. Legal Notices

Chairperson Tierney noted that the meetings were posted timely in both New Bedford and Dartmouth and that the notices be placed on file. Motion made by Mr. Beauregard, seconded by Mr. Patten. Vote 5-0.

4. Warrant Report and Ratification

Chairperson Tierney asked for a motion to accept report and ratify warrants dated January 2, 2018; January 19, 2018; and February 2, 2018. Motion made by Mr. Patten, seconded by Mr. Worden. Vote 5-0.

5. Approval of Minutes

Chairperson Tierney asked for a motion to approve the January 3, 2018 minutes. Motion made by Mr. Beauregard, seconded by Mr. Patten. Vote 5-0.

6. New Business

- a. Presentation from investment consultant (Bartholomew & Co., Inc.)

Chairperson Tierney asked to receive update from representatives of Bartholomew and Co., Inc. Motion made by Mr. Patten, seconded by Mr. Beauregard.

Chairperson Tierney recognized Michelle Newcomb and Alexander C. Bartholomew, representatives from Bartholomew & Company, Inc. Ms. Newcomb stated that the accounts with Bartholomew & Company are performing well. She turned the discussion over to Alexander C. Bartholomew who provided a status update and detailed summary of the investments on the Closure, Post Closure and Reserve Funds. Alex noted that District funds are invested in items that are on the Legal List of investments, as well as those not on the list and noted the conservative profile of the investments. Mr. Bartholomew suggested that we formalize whether all investments shall be limited to legal list or whether to go off the list. He feels we can do a better job of managing the portfolio (better returns and diversification) if we go beyond the list. Mr. Bartholomew noted that the only changes that have been made were the changes to lower the expense ratios of the fund. Mr. Bartholomew referred members to the "Portfolio Allocation" report on pages 2 and 3 of the Reserve accounts, and the yield returns for those accounts. January was a good month for returns. Investments are shown in two time periods. The end of fiscal year June 30th and end of January. There isn't a tremendous amount of change from one period to the other, especially from equity to fixed income. It is still a 90% fixed income allocation broken down between a combination of individual fixed income securities of CDs, corporate bonds, treasuries, and agencies. The Mutual Bond fund is a legal list portfolio. There isn't much to buy from the legal list on that space. Those positions have added value verification because the District has been buying off the legal list. On the "Common Stock" report on page 2 of the Reserve account, the portfolio continues to be a 9 ½% value of the portfolio. Mr. Bartholomew noted the Common Stock current yield of 3.2% and stated that it is the cash flow generation. It does not take into account the total return over time in the portfolio. When equities decline and yields rise, bonds decline. Mr. Bartholomew then referred members to page 4 on the report, and noted the Market Value and the Cumulative Flow data that the industry started to track as of January 1, 2009. These accounts were commission- based until recently, therefore only monthly

account values were tracked. Since January 1, 2009 the annualized return has been 3% for the portfolio. Mr. Bartholomew discussed the conservative risk profile of the funds (preserve capital, keep pace with inflation and maintain purchasing power). Mr. Bartholomew described the factors affecting the market and stated that the data is showing that markets could be higher at the end of the year, which would be good for the portfolio. Bartholomew and Company, Inc. is able to allocate to corporate bonds and CDs and noted graphs on bottom of page 5 of the report. He then referred members to the "Fixed Income Data" on page 6 of the portfolio. The number of 2.04 duration average listed on page 6 is the interest rate sensitivity on the individual income, which is a low number. Mr. Bartholomew referred members to page 7 of the report which lists the performance data. Page 9 of the report lists the calendar year consolidated data. Since 1/1/2009 the portfolio annualized over 3%.

Mr. Alfonse asked what would Mr. Bartholomew categorize as a meaningful exposure equity. Mr. Bartholomew stated that it would be a 20% to 30%. The equity exposure is dependent on different factors such as the risk profile, entity, and the type of money it is (Community Stabilization money or CPA, Scholarship money, Library money or Trust Fund money, etc.). In 2011 and 2012 the average yield was 80 basis points and 70 basis points. A number of different factors are applied to meaningful exposure equities.

Mr. Alfonse noted that District equities are limited to those that are on the legal list. Alexander Bartholomew said that of the bond funds in the closure account, one of them is on the legal list (Federated). The other four are not on the legal list. Mr. Beauregard asked how they could not be on the legal list. Mr. Alfonse stated in 2016 the Board voted to allow the Treasurer to deviate from the legal list as long as he followed the prudent investor rule to ensure that the funds are secure. Attorney Matthew stated that it depends which reserve account it is and whether the District is bound by the Legal list or not.

Attorney Thomas asked should the District move away from the legal list, how would Bartholomew determine the appropriateness of the stock. Is there a standard used? Mr. Bartholomew said that there are various ways to diversify the allocation of certain capital. Mr. Alfonse asked if Mr. Bartholomew could provide a list of the District assets currently held by the District, by value, of what's on the legal list, and what is not on the legal list. Mr. Bartholomew stated that he would provide the list to Mr. Alfonse.

Mr. Bartholomew provided a status on the OPEB Trust and stated that since its 2011 inception the trust has a 5% return, and a fiscal year to date return of up to 7% through January 2018. Mr. Alfonse said that when the OPEB modeling is done by the District it assumes a 3% return. The District is currently 100% funded. Alexander Bartholomew discussed the performance history of the OPEB Trust fund and said the fund is performing well.

Mr. Alfonse stated that he and Mr. Patten will discuss the comfort level with the current percentage on equities. The District's primary focus is the safety and yields on the accounts. Michelle Newcomb stated that arrangements could be made for a conference call to discuss further.

Mr. Patten noted the "Total Bond Fund" numbers reported on page 12 of the Reserve Funds portfolio, and asked if the District was paying the estimated tax cost. Alexander Bartholomew stated that the District is not paying the estimated tax. It's reinvested in dividends accumulated returns. More than 100% returns come from income.

Michelle Newcomb and Alexander C. Bartholomew left at 8:48 a.m.

b. Authorize Advertisement of Invitation for Bids to Construct Cell 6

Chairperson Tierney asked for a motion to authorize the advertisement of invitation for bids to construct landfill cell 6. Motion made by Mr. Patten, seconded by Ms. LeBlanc. Vote 5-0.

c. Request for permission to hunt crow on District property

Chairperson Tierney asked for a motion to discuss hunting on District property. Motion made by Mr. Patten, seconded by Ms. LeBlanc. Vote 5-0.

Mr. Patten recommended denying the request for the crow hunting at the District cranberry bog by a resident. The Board agreed. Mr. Alfonse stated that the District has had more than one request from hunters to cross into District properties. The District should establish a policy for no hunting allowed on District owned property, and post "No Trespassing" signs on all its properties.

d. Dartmouth proposed plastic bag ban / recycling update

Chairperson Tierney asked for a motion to discuss proposed plastic bag ban. Motion made by Ms. LeBlanc, seconded by Mr. Worden.

Mr. Alfonse stated that the town is considering proposing a ban on the use of plastic bags in retail stores. Mr. Alfonse attended a meeting with town to discuss the proposed by-law. Among those attending the meeting were Town Administrator David Cressman, Town Counsel Anthony Savastano, Health Director Chris Michaud, personnel from DPW, and Selectman Stanley Mickelson. The question of who would be the enforcing the by-laws was asked. The District does not have enforcement authority of local by-laws. The District does not have the capacity to become the enforcement arm of either community. The District could be responsible for performing education / outreach once the ban is adopted.

Ms. LeBlanc asked if there was an intent to do away with plastic bags at grocery stores.

Mr. Alfonse said yes. The focus is on larger retailers.

Mr. Beauregard asked what the outcome was after the meeting. Mr. Alfonse stated that the DPW's Administrative Assistant would brief the DPW Director regarding enforcement. Most likely the Board of Health will be the enforcer. Mr. Beauregard asked if the city and town were both doing this or was just the town. New Bedford has not weighed in on this. The Board discussed retailers and other towns that have implemented the plastic bag ban.

Mr. Patten asked if paper was better for an operations perspective. Mr. Alfonse stated that plastic bags are a nuisance and can make up a significant portion of wind-blown litter. They often get hung up in trees and entangle wildlife. These are considered operational problems.

Mr. Alfonse said that the District could assist with the outreach program but it does not have a role on the enforcement with by-laws.

e. Directors report

Discussion of the Executive Director's report.

Mr. Beauregard asked if the health insurance increase of 6.5% was within the budget. Mr. Alfonse stated that the District had budgeted enough for a 10% increase. Also, it does not include the retiree's health insurance. That plan is on a calendar basis and has a separate line item on the budget.

f. Items which could not have been reasonably anticipated 48 hours in advance.

None

7. Set date for next meeting.

Next Board meeting is scheduled for Wednesday, March 14, 2018 at 8:00 a.m.

8. Adjourn

There being no further business, Chairperson Tierney asked for a motion to adjourn to Executive Session for the purpose of considering the value of real property at approximately 9:08 a.m., and not to reenter open session. Motion made by Mr. Patten, seconded by Ms. LeBlanc.

Roll Call Vote:

Rosemary Tierney – yes;

Nathalie Dias – absent;

John Beauregard – yes;

**Larry Worden – yes;
Daniel Patten – yes;
Christine LeBlanc – yes.**

Vote 5-0.