

**MINUTES OF THE MEDFORD RETIREMENT BOARD MEETING HELD on  
2-24-2020 in room 201 at 9:30am**

1. 9:30AM Call meeting to order

Roll Call:

Present: Patrick Ripley, Rick Jordan, Robert Maiocco, James Vieira, Aleesha Nunley-Benjamin and Mark Minervini

Absent:

Others Present: Scott Driscoll from NEPC at 11:00am

2. Reading of notice & certificate – Service of Notice Posted on February 12, 2020

James Vieira motion to place on file the notice and certificate that was posted on 2/12/2020. Motion second by Robert Maiocco. Motion passed by all members voting in favor

3. Reading of Previous Meeting by Secretary

Patrick Ripley motion to waive reading of previous meeting by secretary. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

James Vieira motion to approve the minutes of the Board meeting held on January 29, 2020. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

4. Bills, Communications, Refunds, Transfers, Payrolls, Etc.

**Warrant S9**

Law Office of Michael Sacco PC - Legal Services January 2020	\$125.00
Morgan Records - File Storage Services January 2020	\$44.25
People's United Bank - Custodial Fee December 2019	\$3,614.25
Joanne F. Quatieri-Mejia - Refund Deductions	\$1,546.08
IRS a/c Joanne F. Quatieri-Mejia - Refund - Federal Withholding	\$386.52
Joseph Perry - Refund Deductions	\$161.45
IRS a/c Joseph Perry - Refund - Federal Withholding	\$40.36
Somerville Retirement Board - Transfer Out - Kellie Cavanaugh	\$16,010.86
Mass Teachers Retirement System - Transfer Out - Kristen Ciarletta	\$1,312.99
Everett Retirement Board - Transfer Out - Deanna Deveney	\$24,906.46
Swampscott Retirement Board - Transfer Out - Allison Shvonski	\$20,414.60
State Retirement Board - Transfer Out - Irina Shumway	\$3,013.78
Plymouth County Retirement Board - Transfer Out - Danielle Kennedy	\$296.02
Mystic Medical Group Inc. - Medical Records - John K. Small	\$50.00
Amity Insurance Agency Inc. - Renewal policy 3/1/2020-3/1/2021	\$13,419.00
Ready Refresh - Water Delivery 1/8/2020	\$18.96
Kingsbury Press - Tinted Window Envelopes	\$139.00
Cambridge Retirement Board - 38 (c) Billing	\$4,398.55
Concord Retirement System - 38 (c) Billing	\$16,342.52
Mass Teachers Retirement System - 38 (c) Billing	\$177,254.01
Melrose Retirement Board - 38 (c) Billing	\$4,813.36
Northbridge Retirement System - 38 (c) Billing	\$2,170.15
Peabody Retirement Board - 38 (c) Billing	\$3,102.89
Stoneham Retirement System - 38 (c) Billing	\$7,946.95
Winchester Retirement Board - 38 (c) Billing	\$418.98
Worcester Retirement System - 38 (c) Billing	\$9,651.89
<b>Total Bills Warrant S9</b>	<b>\$311,598.88</b>
Staff Salaries	4,379.64
Medicare	-
Massachusetts SUI	-

Harpers Payroll Fee	\$0.00
<b>Expense Total</b>	<b>\$315,978.52</b>
Pension	1,458,790.24
Annuity	292,888.42
Retiree Payroll Total	1,751,678.66
<b>Warrant S9 Total</b>	<b>\$2,067,657.18</b>
<b>Prior Warrants</b>	
Schedule 6	5,062.46
Schedule 7	4,494.60
Schedule 8	6,764.04
<b>Reference Total</b>	<b>16,321.10</b>
<b>Grand Total Warrant S9 with Prior Warrants</b>	<b>2,083,978.28</b>

A motion was made by James Vieira and second by Robert Maiocco to approve all bills, transfers, refunds, staff payrolls and retirement payroll listed above on schedules S6, S7, S8 and S9. motion passed by all members voting in favor.

**Rhumblin S&P 500 Letter of Direction (LOD) Dated 2/12/2020.**

Patrick Ripley motion to approve and place on file the Letter of Direction (LOD) dated 2/12/2020 instructing Rhumblin to withdraw \$1,400,000 from the S&P 500 account and transfer the funds to People's Bank. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**Wire Transmittal Letter Transferring \$1,400,000 From People's Bank to Century Bank.**

Robert Maiocco motion to approve the Wire Transmittal dated 2/20/2020 Transferring \$1,400,000 From People's Bank to Century Bank on February 20, 2020 to fund February 2020 expenses and pension payroll. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

5. Report of Chairman:

**PRIT Confirmation of Account Activity Notice Dated 2/3/2020**

James Vieira motion to place on file the Private Equity Vintage Year Confirmation Notice, notifying the Board that deposit of \$148,721.00 has been received by PRIT on 2/3/2020. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

**December 2019 Accounting Reviewed by Aleesha Nunley-Benjamin**

Robert Maiocco motion to place on file that the December 2019 Accounting Reports have been reviewed by Aleesha Nunley-Benjamin. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

**December 2019 Accounting Reports Submitted to PERAC**

Patrick Ripley motion to place on file that the December 2019 Accounting Reports have been Sent to PERAC. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**2019 Annual Statement Complete**

James Vieira motion to place on file the 2019 PERAC Annual Statement. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**Roselli, Clark and Associates Audit Status**

2019 accounting reports and draft of 2019 annual statement has been sent to Terenzio Volpicelli on 2/11/20. Terenzio to follow-up at end of month with audit schedule James Vieira motion to place on file the status of Roselli , Clark and Associates 2019 audit. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**Dan Sherman 1/1/2020 Actuary Valuation Status**

Data files sent to Dan Sherman on 2/13/20.

James Vieira motion to place on file the status of Sherman Actuary's 1/1/2020 valuation. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**Paul Conway will have Repaid the Excess Earnings for the Years 2004 – 2007 in March 2020**

Mark Minervini informed the Board that \$154,237.44 will be recouped in March 2020 and that Mr. Conway will receive partial benefit payment in March and his full benefit payment beginning April 2020. Mr. Conway continues to appeal the decision regarding excess earnings between 2004 – 2007, but I haven't received any communications from Mr. Conway or his Counsel regarding his appeal. Michael Sacco confirms that he has been copied on all the filings since Medford is still a party to the litigation. Mr. Minervini informed the Board on the matter of Mr. Conway's 2013 and 2014 over earnings totaling \$66,698.46, the Board voted that Mr. Conway did not over earn for this period. This decision was based on a hearing in May 2017 and PERAC was notified of the decision.

James Vieira motion to place on file that Paul Conway's. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

10:45: Aleesha Nunley-Benjamin joined the meeting.

**One of the retiree's personal information was obtained from an outside source and then used to create an online account in PTG's Self Service system.**

Mark Minervini informed the Board that one of the retiree's personal information appears to have been obtained from an outside source and used to create an online account in PTG's online portal system. During this time the retiree's email and phone number associated with their account was changed and a message sent via the online portal requesting to have a direct deposit change form emailed to the email address on file. Our internal process is all "mail in" direct deposit changes require a notarized signature and a phone call to the retiree. As a result, the retirees record was not changed. The retiree and the Medford Police have been notified.

Mark Minervini was informed by John Reidy from PTG that they have reviewed their technical environment and informed us that the PensionPro database has not been compromised during this incident. In addition, PTG announced that additional security enhancements have been added to the self-service portal and enhancements will begin to be released in phases as out lined in an email from PTG dated February 10, 2020.

Patrick Ripley asked that Mark Minervini create a security policy that includes any future security incident regarding our constituents, be discussed in executive session.

James Vieira motion to place on file PTG self-service security incident. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

**Fiduciary Insurance Policy Received Effective 3/1/2020 – 3/1/2021**

Aleesha Nunley-Benjamin motion to place on file the Fiduciary Insurance Policy Effective 3/1/2020 – 3/1/2021. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**PERAC Pension News February 2020**

James Vieira motion to place on file PERAC Pension News February 2020 edition. Motion second by Aleesha Nunley Benjamin. Motion passed by all members voting in favor.

**PERAC 3(8)(c) Reimbursement Letter to Middlesex County Retirement Board**

Aleesha Nunley Benjamin motion to place on file PERAC 3(8)(c) Reimbursement Letter to Middlesex County Retirement Board instructing Medford Retirement Board to reimburse \$4,949.37 a year towards the retirement of James Walker who retired on August 22, 2019. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

**PERAC 3(8)(c) Reimbursement Letter to Teachers' Retirement Board**

Aleesha Nunley Benjamin motion to place on file PERAC 3(8)(c) Reimbursement Letter to Teachers' Retirement System instructing Medford Retirement Board to reimburse \$4,239.01 a year towards the retirement of Barbara Kelley-Leahy who retired on June 30, 2018. Motion second by James Vieira. Motion passed by all members voting in favor.

**PERAC Memo #11 / 2020 - Payment Required for Service Credited under G.L. c. 32, § 4(2)(b)**

Aleesha Nunley Benjamin motion to place on file PERAC Memo #11 / 2020 - Payment Required for Service Credited under G.L. c. 32, § 4(2)(b). Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**Michael Sacco All Client Email - Gomes SJC Decision and PERAC Memo # 11 / 2020**

Aleesha Nunley Benjamin motion to place on file Michael Sacco's All Client Email - Gomes SJC Decision and PERAC Memo # 11 / 2020. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

**PERAC Memo #12 / 2020 – IRS Determination Letters**

Aleesha Nunley Benjamin motion to place on file PERAC Memo #12 / 2020 – IRS Determination Letters. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

11:00am NEPC joined the meeting. Scott Driscoll distributed NEPC's handout dated February 24, 2020 and reviewed the current market environment. Mr. Driscoll indicated that the S&P500 was flat for January and had a prior one year increase of 16% and indicated this is an outlier. Mr. Driscoll reviewed the total fund performance and indicated that total equity was -1.5% for January. Mr. Driscoll pointed out that City of London has been outperforming the MSCI and added value over the past year. Mr. Driscoll discussed William Blair has been underperforming and reviewed the current fund asset allocation and said that based on NEPC's outlook, falling interest rates, robust return prior year and lower growth and inflation will result in declining return expectations, NEPC feels that the annual returns will not break 7%. Discussion about lowering assumed rate or return and Mr. Driscoll indicated that the State Retirement Board assumed rate is 7.25% and that NASRA indicates the average is 7.3%, Massachusetts Boards range from 7.25% – 7.75%. Discussion about NEPC's recommendation of changing the fund's asset allocation by reducing global asset allocation from 8% to 5% and increasing real estate holdings from 7% to 10%. Mr. Driscoll indicated that with this change, the expected rate of return is still below 7.5%, and that the 30-year expected rate of return will be 7.2% (6.7% + .5%). James Vieira said that the Board made a lot of changes, there's not too many more choices available. NEPC recommends reducing William Blair Portfolio by 3% of total asset value and add 3% to Prim's Real Estate Portfolio.

Aleesha Nunley-Benjamin motions to transfer 3% of the total asset from William Blair to Prim's Real Estate Portfolio. Robert Maiocco commented, this brings our real estate holding to over \$20M. Patrick Ripley seconds the motion. Motion passed by all members voting in favor.

**6. Unfinished Business:**

N/A

7. New Business

New members:

<u>Name</u>	<u>Unit</u>	<u>Position</u>	<u>Date of Hire</u>	<u>FT/PT</u>
Mona Moussawee	School	English Learner (EL) Aide	11/4/2019	Full Time
Karen Donahue	School	Kindergarten Aide	8/26/2019	Full Time
Stephen Pycrz	School	Carpenter/Maintenance	1/3/2020	Full Time
Phalange Cadet	School	Instructional Support Staff	10/17/2019	Full Time
James Tobin III	City	DPW - Motor Equipment Repairman	12/23/2019	Full Time
Daria Tejera	City	Executive Asst. to Mayor	1/6/2020	Full Time
Christopher Mangan	School	Security Monitor	1/21/2020	Full Time

Motion by Robert Maiocco to accept membership for employees listed above. Motion second by James Vieira. Motion passed by all members voting in favor.

James Vieira will be attending the NCPERS conference on 5/10/2020.

8. Executive Session

N/A

9. Adjournment

Next meeting scheduled for March 31, 2020 at 9:30am in room 207

Patrick Ripley motioned to adjourn meeting. Motion second by James Vieira. Motion passed by all members voting in favor.

A true Record by: Mark Minervini On 2-24-2020  
Mark Minervini

Rick Jordan [Signature] Chairman Aleesha Nunley Benjamin [Signature] Ex-Officio  
James Vieira [Signature] Patrick H. Ripley [Signature]  
Robert Maiocco [Signature]

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