

**MINUTES OF THE MEDFORD RETIREMENT BOARD MEETING HELD on
4-29-2020 at 9:30am.**

**MEETING HELD BY CONFERENCE CALL AS A RESULT OF COVID-19, IN
ACCORDANCE GOVERNOR CHARLES BAKER'S ORDER SUSPENDING
CERTAIN PROVISIONS OF THE OPEN MEETING LAW, G.L. c. 32A Section 20
AND PERAC MEMO #15/2020**

**CONFERENCE CALL: 1-857-444-0744
CONFERENCE CODE: 969957**

1. 9:30AM Call meeting to order

Roll Call:

Present: Patrick Ripley, Rick Jordan, Robert Maiocco, James Vieira and Mark Minervini

Absent: Aleesha Nunley-Benjamin

Others Present: 9:30am Kevin Leonard and Marisa Gorman from NEPC and Dan Sherman from Sherman Actuarial Services

James Vieira motion to suspend the normal order of business for NEPC and Sherman Actuaries to present. Motion second by Patrick Ripley. Motion passed by all voting in favor.

Dan Sherman reviewed the Preliminary Actuarial Results (Primary Results Comparison) report as of January 1, 2020. Mr. Sherman discussed the demographics indicating that the total payroll increased significantly over the past two years after removing contract settlement retro payments. The funding ratio decreased in part because of salary increases from union contract settlements, approximately 140 new employees hired in early 2018 including employees who transferred from other systems. Discussion about smoothing the labor contracts and the methods used to calculate actuarial accrued liability were discussed. Mr. Sherman reviewed four options in detail comparing the current funding schedule and the impact on the appropriation with options lowering the discount rate and extending the funding schedule. Mr. Sherman referenced PERAC memo 22/2020 and said he had a meeting with PERAC that discussed changing the required funding schedule to beyond 2040. The idea is to keep the appropriation steady with 4% increases. PERAC also recommends that Boards not make "knee jerk" reactions due to the COVID-19 impact and recommends waiting a few months before making decisions about lowering the discount rate. Mr. Leonard discussed NEPC's 3/31/2020 assumptions indicating that the expected rate of return 30 years is 6.84% and add 25 to 50 bps for managed accounts. This is below the 7.5% assumed rate with the managed basis points included. Mr. Leonard indicated that this is not an exact science and a lot can happen in 30 years. Mr. Sherman indicated that Medford is in a good position with the current funding schedule at 2031 and there's room to extend the funding schedule and still be below 2040. Mr. Sherman explained the new mortality tables and the Board will need to make a decision on using the new tables or the current tables. Mr. Sherman said the auditors will need the GASB reports to finalize the audit and the Board will need to make a decision on the discount rate and the mortality tables before the GASB reports can be completed. Mr. Sherman said there is no rush at this time to make a change and suggests the Board wait and see what happens with the current situation.

Patrick Ripley said to recap, it sounds like we stay the course – this is such a wild card (COVID-19) we really need to wait until we get all the information. Rick Jordan agrees and said three months ago this was a different situation. James Vieira said there are two items that we need to take into consideration, sounds like we hold the course for now. Robert Maiocco asked if the schedule can be changed at any time, Mr. Sherman said yes and the Board votes on the schedule every year. Rick Jordan asked how long do we have to make a decision, we don't know what will happen with the economy, the city collections are down and we are not sure of the effect. Mr. Sherman said the Board can wait as long as October – November to make a decision.

Robert Maiocco agrees with holding off until we know what happens in the next 2 – 3 months.

Robert Maiocco motion to table a decision until more information is available. On the motion Patrick Ripley adds the Board will continuously monitor the situation and take votes as needed. Motion second by Patrick Ripley. Roll call vote James Vieira 'YES', Robert Maiocco 'YES', Patrick Ripley 'YES', Rick Jordan 'YES'.

10:55am – Dan Sherman left the meeting.

Kevin Leonard from NEPC provided an update of the market referring to NEPC's presentation dated April 29, 2020. On the market, Mr. Leonard reviewed first quarter results indicating that all the impact on the first quarter was a result of March. SP500 for the month of March was down 12.4% and YTD down 19.6% and Emerging Markets down 23.6% YTD. Investment grade bonds (government related securities) down 60 bps for the month of March. Expecting second and third quarter earnings to be down significantly and a quick recovery is unlikely. Marisa Gorman provided an update on the fund indicating that the fund balance as of March 31st is \$178.9M, down 8.1% for the month and down 11.5% for the quarter. Ms. Gorman indicated that the plan was well protected compared to other plans. The median public defined benefit return for the month of March was down 9.22% compared to Medford down 8.1% ranking Medford in the top quartile for the month. For the quarter the median public defined pension funds were down 13.5% compared to Medford down 11.5% indicating the plan has provided downside protection. Ms. Gorman reviewed prior month and YTD fund performance indicating that Rhumblin SP500 held up better than small cap SP400. Fixed income also protected some of the losses. Ms. Gorman indicated that NEPC is disappointed with Ashmore's performance because they have been underperforming the benchmark and NEPC will continue to monitor Ashmore's performance. NEPC has a writeup of Ashmore's performance that she will forward to Mark Minervini. Ms. Gorman continued reviewing fund performance indicating that the Private Equity allocation was up 6.6% for March and over 20% for trailing one year, however there is a quarter delay on Private Equity reporting and we will see the economic impact over the next couple quarters in Private Equity.

11:20am NEPC left the meeting.

Robert Maiocco motion to return to the normal order of business. Motion second by Patrick Ripley. Motion passed by all voting in favor

2. Reading of notice & certificate – Service of Notice Posted on 4/15/2020

James Vieira motion to place on file the Board meeting notice and certificate that was posted on 4/15/2020. Motion second by Patrick Ripley. Motion passed by all members voting in favor

3. Reading of Previous Meeting by Secretary

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

4. Approve the minutes of the Board meeting held on March 31, 2020

James Vieira motion to approve the minutes of the Board meeting held on March 31, 2020. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

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

Warrant S18

Law Offices of Michael Sacco PC - Professional Services March 2020	\$500.00
Morgan Records Management LLC - File Storage March 2020	\$21.00
People's United Bank - Custodial Fee February 2020	\$3,395.85
Mark Minervini - Conference Call Service Charge	\$22.30
Ready Refresh - Delivery 3/10/2020	\$18.96
The Hartford - Renewal WC Policy	\$365.00
Chelsea Retirement System - 38c Payment	\$2,982.89
Essex Regional Retirement System - 38c Payment	\$4,586.97
Woburn Retirement Board - 38c Payment	\$14.44
Toshiba America Business Solut - Service 4/15/2020-5/14/2020	\$196.69
Thomson Reuters - MGLChapter 32 Updates	\$820.00
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Rhumblin - Q1-2020 BTIPS-P	\$1,025.00
Rhumblin - Q1-2020 SP500MAP	\$3,433.00
Rhumblin - Q1-2020 SP400P	\$593.00
Garcia Hamilton & Associates LP - Management Fees Q1-2020	\$14,730.27
Loomis Sayles - Management Fees Q1-2020	\$22,236.61
Total Bills Warrant S18	\$54,941.98
Staff Salaries	4,428.79
Medicare	
Massachusetts SUI	
Harpers Payroll Fee	
Expense Total	\$59,370.77
Pension	1,449,456.26
Annuity	294,666.51
Retiree Payroll Total	1,744,122.77
Warrant S18 Total	\$1,803,493.54
Prior Warrants	
Schedule 15	4,600.35
Schedule 16	4,489.34
Schedule 17	6,683.00
Reference Total	15,772.69
Grand Total Warrant S18 with Prior Warrants	1,819,266.23

A motion was made by Robert Maiocco and second by Patrick Ripley to approve all bills, transfers, refunds, staff payrolls and retirement payroll listed above on schedules S15, S16, S17 and S18. motion passed by all members voting in favor.

6. Report of Chairman:

Garcia Hamilton Letter of Direction (LOD) Dated 4/14/2020.

Robert Maiocco motion to place on file the Letter of Direction (LOD) dated 4/14/2020 instructing Garcia Hamilton to withdraw \$750,000 from the system's fixed income account and instructing People's Bank to transfer the funds from Account# 993171 to the system's cash Account# 646220. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

Rhumblin TIPS Letter of Direction (LOD) Dated 4/14/2020.

James Vieira motion to place on file the Letter of Direction (LOD) dated 4/14/2020 instructing Rhumblin to withdraw \$1,250,000 from the system's TIPS account and instructing Rhumblin to transfer the funds to People's Bank. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

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Wire Transmittal Letter Transferring \$1,800,000 From People's Bank to Century Bank. This wire transfer was completed on 4/16/2020 by Mark Minervini to fund April 2020 expenses and pension payroll.

James Vieira motion to place on file the Wire Transmittal Transferring \$1,800,000 From People's Bank to Century Bank on April 16, 2020 to fund April 2020 expenses and pension payroll. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

PRIT Distribution Confirmation Notice 4/1/2020

James Vieira motion to place on file PRIT Private Equity Vintage Year Confirmation Notice, notifying the Board that a wire transfer of \$66,773.64 has been sent to People's Bank on 4/1/2020. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

PRIT Fund Redemption Form Dated 5/1/2020

James Vieira motion to place on file PRIT Fund Redemption Form Dated 5/1/2020 Instructing PRIT to redeem \$2,500,00.00 from the Real Estate Portfolio and wire the funds to People's United Bank on May 1, 2020. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

PRIT Payment Due Notice Dated 5/1/2020

Private Equity Vintage Year payment of \$749,400.14 is due on 5/1/2020

James Vieira motion to place on file the PRIT Payment Due Notice Dated 5/1/2020 notifying the Board that a Private Equity Vintage Year payment of \$749,400.14 is due on 5/1/2020. On the motion, Patrick Ripley stated he is confused as to the reason the payment increased so much. Chairman Rick Jordan said PRIT must have found places to invest with the sell off and they are totally discretionary. Patrick Ripley said he is OK with the motion, but he would like an explanation for the increase. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

Patrick Ripley motion to have Mark Minervini contact Paul Todisco and question the reason for the increase. Motion second by James Vieira. Motion passed by all members voting in favor.

PERAC MEMO #19/2020 – Tobacco Company List

Patrick Ripley motion to place on file PERAC MEMO #19/2020 – Tobacco Company List. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

PERAC MEMO #20/2020 – Coronavirus Update

James Vieira motion to place on file PERAC MEMO #20/2020 – Coronavirus Update. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

Michael Sacco All Client Memo – PERAC Memo #20/2020 – Medical Panel Examinations

Robert Maiocco motion to place on file Michael Sacco's All Client Memo – PERAC Memo #20/2020 – Medical Panel Examinations. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

PERAC MEMO #21/2020 – Post Retirement Restrictions During the State of Emergency

Patrick Ripley motion to place on file PERAC MEMO #21/2020 – Post Retirement Restrictions During the State of Emergency. Motion second by James Vieira. Motion passed by all members voting in favor.

PERAC MEMO #22/2020 - Delayed FY21 Appropriations
Patrick Ripley motion to place on file PERAC MEMO #22/2020 - Delayed FY21 Appropriations. Motion second by James Vieira. Motion passed by all members voting in favor.

PERAC Approval of The Creditable Service and Buyback Supplemental Regulations
James Vieira motion to place on file PERAC Approval of The Creditable Service and Buyback Supplemental Regulations. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

7. Unfinished Business:

Michelle Lajoie Annual Review – Letter of Appreciation
The Board appreciates everything she has done for the Board.

James Vieira motion to place Michelle Lajoie Annual Review – Letter of Appreciation in her personnel folder. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

Patrick Ripley also thanks the Administrator and his team for all the work over the past year and half with technology changes that allowed the Board to stay informed. The Board also extends their thanks.

8. New Business

Dan Sherman Review - Preliminary Results of the 1/1/20 Actuarial Study
James Vieira motion to place on file Dan Sherman Review of Preliminary Results of the 1/1/20 Actuarial Study. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

Robert Delafano Accidental Disability Application
The application and medical records are available for review in PROSPER
Patrick Ripley said he reviewed the application and medical records and everything is in order. There's time, date and incident.

Patrick Ripley motions to convene a medical panel for Robert Delafano. Motion second by James Vieira. Motion passed by all members voting in favor.

New Members:

Name	Unit	Position	Date of Hire	FT/PT
Jenny Graham	SCH	School Committee	1/6/2020	FT
Morgan Ronan	SCH	Paraprofessional	2/24/2020	FT
Isaac Bears	CTY	City Council	1/6/2020	FT

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

New Retirees:

Name	Unit	Option	Date of Retirement
Michael Endicott	CITY	Superannuation Option C	4/30/2020
Adele Scaramuzzo	SCH	Superannuation Option C	6/30/2020

Motion by James Vieira to accept retirements for members listed above. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

9. Executive Session

N/A

10. Adjournment

Next meeting scheduled for May 28, 2020 at 9:30am in Medford City Hall, room 201

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

A true Record by: Mark Minervini On 4-29-2020
Mark Minervini

Rick Jordan Rick Jordan Chairman Aleesha Nunley Benjamin Absent
Ex-Officio

James Vieira James Vieira Patrick H. Ripley Patrick H. Ripley

Robert Maiocco Robert Maiocco