

300

**MINUTES OF THE MEDFORD RETIREMENT BOARD MEETING HELD on
7-29-2021 at 9:30am in room 201 at Medford City Hall**

1. 9:30am Call meeting to order.

Roll Call: Rick Jordan "YES", Patrick Ripley "YES", Robert Maiocco "YES", James Vieira "YES"

Absent: None

Present: All present, one vacant

Absent: None, one vacant

Others Present:

9:30am: Scott Driscoll and Kiley Fischer from NEPC

9:30am: Garcia Hamilton

10:00am: City of London

James Vieira motion to suspend the normal order of business for NEPC, Garcia Hamilton and City of London to present. Motion second by Patrick Ripley. Motion passed by all voting in favor.

9:30am Stephanie Roberts and Jeffrey Detwiler from Garcia Hamilton provided an update to the Board referencing their handout dated July 29, 2021. They reviewed the company profile and notified the Board of a new hire, Mark Delaney as a Senior Portfolio Manager. They reviewed Mr. Delaney's background and experience. Stephanie Roberts informed the Board that Garcia Hamilton has \$17.3B under management and the Board's portfolio has a market value of \$23.6M as of June 30, 2021. Mr. Detwiler reviewed past performance with discussion about trade wars and economy. There was discussion about future performance, inflationary pressure and impact on small businesses, CPI, declining unemployment, and wage inflation. Discussion about rising interest rates and excess returns and tools used to manage risk. The portfolio characteristics was compared to the Bloomberg Barclays US Aggregate and performance. Scott Driscoll asked about inflation. Discussion about supply chain pressures and demand, and cash in savings during pandemic as compared to pre pandemic. Robert Maiocco asked Garcia Hamilton if they feel the feds will stop buying bonds and if so, what's their plan? Discussion about volatility increase prediction and their strategy and potential impact on the characteristics of the portfolio. 10:00am Garcia Hamilton left the meeting.

Scott Driscoll recapped the presentation with a discussion about performance since inception, how the feds dropped the interest rate and Garcia Hamilton's exposure to treasury. Robert Maiocco said he is concerned that they are underperforming compared to the benchmark. Scott Driscoll said we only had them for three years and if we see sustained underperformance, that's a red flag.

10:20am City of London joined the meeting. Todd Fawaz and Carolyn Murphy provided an update to the Board referencing their handouts dated July 29, 2021. Mr. Fawaz informed the Board that they are a closed end fund with approximately \$7.5B undermanagement and with offices in London, Philadelphia, Seattle, Singapore and Dubai, they can trade across the globe in real-time. Ms. Murphy reviewed past performance from 2018 – 2020 and YTD 2021 indicating that as of June 30, 2021 the fund was up +7.54% YTD. Discussion about YTD performance drivers both negative and positive. Review of YTD portfolio changes and discussion about geo political impact and global emerging markets. Ms. Murphy focused on emerging market small cap vs. large cap and the broad exposure to equities. Review of past performance from 2011 to current YTD and the global portfolio characteristics. Discussion about portfolio holdings targets and discounts. Robert Maiocco asked about City of London's ESG approach and about Samsung's JY Lee imprisonment and the impact on Medford. Discussion about the size of Samsung and how they are considered emerging market because they fall in Korea. 10:50am City of London left the meeting.

Scott Driscoll from NEPC provided an update on the market and portfolio referencing NEPC's handout dated July 29, 2021. Mr. Driscoll reviewed the markets and discussed unusually high inflation with a discussion about inflation with used cars

2021

and transportation. Mr. Driscoll reviewed the fund performance net of fees and indicated that the market value of the portfolio as of June 30, 2021 is \$239M and is up +10.4% YTD and 27.9%for the past year. Mr. Driscoll indicated that the equity portion of the portfolio is up 12.8% YTD and 42.3% for the past one year focusing on Loomis and Lazard as consistent performers for the plan. Fixed income is -.6% YTD and +3.2% for the past one year and discussion on Loomis and TIPS have provided value. Discussion on private equity up +32.9% YTD and +73% for the past one year. Mr. Driscoll indicated that the private equity portion of the portfolio is overweight at 11.1% as compared to policy of 7% and said he is not concerned about the overweight. Mr. Driscoll said private equity is not liquid and if the Board is concerned about policy, we can skip a vintage year. Robert Maiocco asked when is NEPC concerned about the overweight? Mr. Driscoll replied 15% - 17% would be concerned but doesn't see this happening. Discussion about how private equity is priced and independent companies valuing the underlying companies. 11:30am Scott Driscoll left the meeting.

James Vieira motion to return to normal order of business. Motion second by Patrick Ripley. Motion passed by all voting in favor.

2. Reading of notice & certificate – Meeting Notice Posted on 7/14/2021

Robert Maiocco motion to place on file the Board meeting notice and certificate that was posted on July 14, 2021. Motion second by Patrick Ripley. Motion passed by all 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 voting in favor.

4. Vote to approve the minutes of the Board meeting held on June 30, 2021

Patrick Ripley motion to approve the minutes of the Board meeting held on June 30, 2021. Motion second by Robert Maiocco. Motion passed by all voting in favor.

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

Warrant S31

Everett Retirement Board - Transfer - Patrick Gordon 2 years 11 months Service	\$22,822.39
Law Office Michael Sacco - June 2021	\$325.00
Proshred - June 2021	\$36.75
Morgan Records - July 2021	\$21.00
Morgan Records - June 2021	\$21.00
Peoples - Custodial Services April 2021	\$3,995.49
Jonathan Cuppini - Refund	\$24,926.30
IRS a/c Jonathan Cuppini - Refund	\$6,231.58
Mass Teachers Ret System - Transfer Christopher Dello Russo, 2 Years, 7 months	\$5,004.82
ReadyRefresh - Water	\$23.95
Kingsbury Press - Notice of Deposit Paper	\$520.00
WB Mason - Office Supplies	\$25.62
Fidelity Management Trust Co - Rollover to Fidelity - Renee Aucoin	\$16,262.63
Garcia Hamilton & Assoc - 2Q2021 Management Fee	\$14,834.83
Rhumblin - Mgmt Fee - TIPS 2Q2021	\$1,295.00
Rhumblin - Mgmt Fee - SP500MAP 2Q2021	\$5,315.00
Rhumblin - Mgmt Fee - SP44P 2Q2021	\$941.00
LPL Financial A/C Peter Sparco - Rollover Peter Sparco	\$31,587.96
Toshiba Financial Services - Copier Lease	\$120.50
Loomis, Sayles & Co - Mgmt fees 2Q2021	\$23,699.28
Total Bills Warrant S31	\$158,010.10
Staff Salaries	4,879.80
Medicare	66.80

Massachusetts SUI	4.88
Harpers Payroll Fee	39.58
Expense Total	\$163,001.16
Pension	1,525,038.33
Annuity	317,773.50
Retiree Payroll Total	1,842,811.83
Warrant S31 Total	\$2,005,812.99
Prior Warrants	
Schedule 28	4,991.06
Schedule 29	4,991.06
Schedule 30	6,754.07
Reference Total	16,736.19
Grand Total Warrant S31 with Prior Warrants	2,022,549.18

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 S28, S29, S30, and S31. Motion passed by all voting in favor.

6. Report of Chairman:

Letter of Direction to Anthony Teberio, People's Bank Dated July 8, 2021

Robert Maiocco motion to approve the Letter of Direction to Anthony Teberio, People's Bank Dated July 8, 2021 instructing People's Bank to Transfer \$4,000,000 from the system's cash account to the system's Garcia Hamilton Core Bond Portfolio Account on July 8, 2021. Motion second by Patrick Ripley. Motion passed by all voting in favor.

Letter of Direction to Anthony Teberio, People's Bank Dated July 8, 2021

Patrick Ripley motion to approve the Letter of Direction to Anthony Teberio, People's Bank Dated July 8, 2021, instructing People's Bank to Transfer \$2,500,000 from the system's cash account to the system's Loomis Sayles Multisector Full Discretion Trust portfolio on July 8, 2021. Motion second by James Vieira. Motion passed by all voting in favor.

Letter of Direction to Loomis Sayles Dated July 8, 2021

James Vieira motion to approve the Letter of Direction to Loomis Sayles Dated July 8, 2021 instructing Loomis Sayles that upon receipt of wire on July 8, 2021, purchase \$2,500,000 into the account for Medford Retirement System, CT00717 in the Loomis Sayles Multisector Full Discretion Trust. Motion second by Robert Maiocco. Motion passed by all voting in favor.

Letter of Direction to Anthony Teberio, People's Bank Dated July 8, 2021

Patrick Ripley motion to approve the Letter of Direction to Anthony Teberio, People's Bank Dated July 8, 2021 instructing People's Bank to Transfer \$1,500,000 from the system's cash account to the system's Rhumblin S&P500 Pooled Index Fund, Account L801, on July 8, 2021. Motion second by Robert Maiocco. Motion passed by all voting in favor.

Letter of Direction to Anthony Teberio, People's Bank Dated July 8, 2021

James Vieira motion to approve the Letter of Direction to Anthony Teberio, People's Bank Dated July 8, 2021 instructing People's Bank to Transfer \$1,500,000 from the system's cash account to the system's Rhumblin TIPS Pooled Fund, Account L865, on July 8, 2021. Motion second by Robert Maiocco. Motion passed by all voting in favor.

Wire Transmittal Letter Dated 7/21/2021 Transferring \$550,000 From People's Bank to Century Bank.

James Vieira motion to approve the Wire Transmittal Letter Dated 7/21/2021 Transferring \$550,000 From People's Bank to Century Bank. This wire transfer was completed on 7/21/2021 by Mark Minervini to fund July 2021 expenses and pension payroll. Motion second by Robert Maiocco. Motion passed by all voting in favor.

PRIT Confirmation Notice Dated 7/1/2021

Patrick Ripley motion to place on file the PRIT Private Equity Vintage Year Confirmation Notice Dated 7/1/2021 notifying the Board PRIM wired a distribution of \$44,714.88 to People's Bank on 7/1/2021. Motion second by James Vieira Motion passed by all voting in favor.

PRIT Payment Due Notice Dated 8/2/2021

James Vieira motion to place on file the PRIT Payment Due Notice Dated 8/2/2021 notifying the Board that a Private Equity Vintage Year Program payment of \$335,487.29 is due to PRIM on 8/2/202. Motion second by Robert Maiocco Motion passed by all voting in favor.

May 2021 Accounting Submitted to PERAC

Robert Maiocco motion to place on file the May 2021 Accounting Submitted to PERAC. Motion second by Patrick Ripley Motion passed by all voting in favor.

PERAC Memo # 21 / 2021 - Cost of Living Increase for Supplemental Dependent Allowance Paid to Accidental Disability Retirees and Accidental Death Survivors.

Rick Jordan asked how many dependent allowances we have? Mark Minervini answered not sure the exact count, but only a handful.

Patrick Ripley motion to place on file PERAC Memo # 21 / 2021 - Cost of Living Increase for Supplemental Dependent Allowance Paid to Accidental Disability Retirees and Accidental Death Survivors. Motion second by Robert Maiocco. Motion passed by all voting in favor.

PERAC Memo # 22 / 2021 - Reinstatement to Service under G.L. c. 32 § 105 and Attachments

James Vieira motion to place on file PERAC Memo # 21 / 2021 - Reinstatement to Service under G.L. c. 32 § 105 and Attachments. Motion second by Robert Maiocco. Motion passed by all voting in favor.

PERAC Memo # 23 / 2021 – 91A Prosper Tasks

James Vieira motion to place on file PERAC Memo # 23 / 2021 – 91A Prosper Tasks. Motion second by Patrick Ripley. Motion passed by all voting in favor.

91A Hearing to be Scheduled Next Month for Albert Deady

James Vieira motion to table.

Motion second by Robert Maiocco

Motion passed by all voting in favor.

7. Unfinished Business

Enrolling Employees in Health, Dental, Life and Vision Insurance Upon Retirement, and New Health Insurance Continuation Form (Tabled last month)

Review process. Email correspondence with city, email with Michael Sacco, and new health insurance continuation form and retirement process document is included with handouts.

Mark Minervini informed the Board that a process has been created: Upon submitting their retirement application, all employees will be sent to the city's HR department to enroll or change their health insurance. Family members of deceased retirees will be sent to the HR department for instructions on how to collect life insurance benefits.

Mark Minervini explained that in addition to insurance registration, we discussed a process for sending enrollment applications to the retirement office. Mark Minervini asked the Board if we could procure one additional Dropbox license that will be used to transfer new employment information and applications from the school to the retirement office. Receiving this information real time will significantly improve the deduction posting process and provide a means to receive information that has personal information. The cost for an additional license is \$200/year.

James Vieira motion to purchase one additional Dropbox account. Motion second by Patrick Ripley Motion passed by all voting in favor.

8. New Business

New Bank Deposit Account

The Board has an account with Century Bank for deposits and Century Bank has been purchased by Eastern Bank. The Board currently has a zero balance account with Eastern Bank to process Retiree Payroll. Judy Johnston, Treasurer advised that the Board to open an account with a different Bank rather than moving the deposit account to Eastern Bank.

Mark Minervini explained that the city is migrating to Brookline Bank and Judy Johnston said the deposits will be taken to the bank daily by the police, similar to the current process with Century Bank. In addition, the Board can leverage the City's account balances, so there should be no fees with Brookline Bank.

Patrick Ripley motion to transfer cash from Century Bank to Brookline Bank. Motion second by James Vieira Motion passed by all voting in favor.

Manager and Cash Account Authorized Signature Change/Update

Authorized signatures must be updated due to Aleesha Nunley-Benjamin leaving employment with the City.

Patrick Ripley motion to approve Mark Minervini Executive Director, Rick Jordan Chairman, Michelle LaJoie Assistant Administrator for control, security, instruction and record keeping purposes on the following Medford Retirement Board's accounts held with:

Rhumblin Advisers

Loomis Sayles

City of London

Ashmore

Lazard

PRIM

People's United Bank

And add Judy Johnston, City of Medford Treasurer as an authorized signatory on People's United Bank.

Motion second by Robert Maiocco Motion passed by all voting in favor.

New Employees:

<u>Name</u>	<u>Unit</u>	<u>Position</u>	<u>Hire Date</u>	<u>FT/PT</u>
Jennifer McNabb	MHA	Director of Management	4/20/2021	Full Time
Brian Norwood	MHA	Maint Laborer/Mechanic	6/7/2021	Full Time
James Balogh	CTY	911 Public Safety Dispatcher	5/24/2021	Full Time
Jared McDonald	SCH	Paraprofessional	5/10/2021	Full Time
Elizabeth Parsons	CTY	Prevention Coordinator	7/6/2021	Full Time
Catherine Darnell	CTY	Acting Station Manager	7/6/2021	Full Time
Edward Costigan	CTY	Assistant Assessor	7/12/2021	Full Time

Michael Frongillo	CTY	Student Officer	7/18/2021	Full Time
Ricardo Maldonado	CTY	Student Officer	7/18/2021	Full Time
Nicholas Karon	CTY	Student Officer	7/18/2021	Full Time

Rick Jordan questioned if Acting Station Manager is an approved position.
Mark Minervini answered yes, and believes it was approved a couple years ago.

James Vieira motion to accept membership for employees as outlined above. Motion second by Robert Maiocco. Motion passed by all voting in favor.

Retirements:

Name	Unit	Option	<u>Retirement Date</u>
Cheryl Alpers	SCH	Superannuation Option A	10/15/2021
Nancy Sabataseo	SCH	Superannuation Option A	9/9/2021
Francis Fusco	CTY	Superannuation Option B	7/31/2021
Patricia Healey	SCH	Superannuation Option B	7/31/2021
John Conway	CTY	Superannuation Option C	8/31/2021
Barbara Fleming	MHA	Superannuation Option A	9/30/2021

James Vieira motion to approve retirement as listed above. Motion second by Patrick Ripley Motion passed by all voting in favor.

Joseph Schiavone changed his retirement date from 5/31/21 to 7/31/2021

Robert Maiocco motion to place on file Joseph Schiavone retirement date change from 5/31/21 to 7/31/2021. Motion second by James Vieira Motion passed by all voting in favor.

Accidental Disability Application Received for Paul Giordano

Patrick Ripley motion to accept application and convene a medical panel for Paul Giordano. On the motion, Patrick Ripley said he read the application and medical records and it's a presumption case, the Doctor's records show cardiac issues and indicate cardiac rehab and medical procedures. Patrick Ripley said he has no problem sending this in under the Heart Law. Motion second by James Vieira. Motion passed by all voting in favor.

Mark Minervini informed the Board that he has been contacted by PERAC about scheduling an audit. PERAC requested copies of the Roselli, Clark and Associates audit reports for 2016 – 2019, and the reports have been forwarded to PERAC on 7/28/21. The audit has not been scheduled yet and Mark Minervini will inform the the Board when the audit is scheduled.

Mark Minervini informed the Board that he has not closed the Gotomeeting and Vast Conference accounts due to the delta variant of covid and asked if the Board would like to close the accounts or keep open in case we go back to virtual meetings. The cost is approximately \$40/month. James Vieira motion to approve to maintain the accounts. Motion second by Patrick Ripley. Motion passed by all voting in favor.

Mark Minervini informed the Board of staff vacations. Michelle Lajoie will be taking 8/9/21 – 8/16/21 and Mark Minervini will be taking Friday and/or Monday vacation days during the month.

Mark Minervini informed the Board of a potential accidental disability application and a work comp case that could result in an accidental disability application.

9. Executive Session

N/A

10. Adjournment

Next meeting scheduled for Tuesday August 24, 2021 at 9:30am.

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

A true Record by: Mark Minervini On 7-29-2021
Mark Minervini

Rick Jordan [Signature] Ex-Officio
Chairman Vacant
Ex-Officio

James Vieira [Signature] Patrick H. Ripley Patrick H. Ripley

Robert Maiocco [Signature]

PAGE INTENTIONALITY LEFT BLANK