

320

**MINUTES OF THE MEDFORD RETIREMENT BOARD MEETING HELD on
4-28-2022 at 9:30am in room 201 at Medford City Hall**

1. 9:30am Call meeting to order.

Roll Call: Patrick Ripley "PRESENT", Robert Maiocco "PRESENT", William Fowler "PRESENT", Rick Jordan "PRESENT", James Vieira "PRESENT"

Absent:

Others Present: Bob Dickenson, Mark Minervini

9:30am Scott Driscoll from NEPC

9:30am Dan Sherman, Sherman Actuaries

Patrick Ripley motion to suspend order of business for Dan Sherman and Scott Driscoll to present. Motion second by Robert Maiocco Motion passed by all voting in favor

Dan Sherman distributed the preliminary actuarial valuation report that contained four options. Mr. Sherman reviewed the actuarial findings indicating that the actives dropped approximately 5% and retirees increased approximately 1.3% and total combined is now 1628. Discussion about the membership population and members who contribute 5% are being replaced with members contributing 9%. Mr. Sherman reviewed the pension fund returns and indicated the actuarial market value is \$230M as compared to the actual market value of \$260M. Mr. Sherman said the funding schedule uses the actuarial value of assets to determine the funded ratio, the current funding ratio is 66.2%. The funding options were reviewed and it was determined that Option B appears to be a good selection that has the system fully funded by 2032 and slightly reduces the city's appropriation. Discussion about the increase cola cost. Mr. Sherman suggests a modified version of Option B (called Option E) keeping the FY2023 appropriation as is and FY2024 appropriation \$16.2M. Mr. Sherman said he will complete the option E and forward to Mark Minervini.

Scott Driscoll distributed the NEPC handout dated April 28, 2022 and provided a market update. Discussion about the indexes and YTD return. Discussion about value vs growth and index performance. US Treasury yield curve discussed. The fund performance was reviewed for the prior 1 month, YTD, 1 year, 3, 5, 7, 10 and 15 years. Mr. Driscoll said the current market value of the fund is \$245M as of 3/31/21. Asset allocation reviewed and Mr. Driscoll indicated that according to the current asset mix, the system is forecasted to return 6.9%. Mr. Driscoll recommends drawing down the TIPS fund and replacing TIPS with private debt. Mr. Driscoll said that cash needs will be taken from the TIPS fund and recommends allocating 3% to private debt. Mr. Driscoll recommends reducing US large cap exposure by 8% and invest in a passive large cap value strategy. Further discussion about value vs growth, private debt, TIPS and S&P500 exposure.

Patrick Ripley motion to reduce TIPS policy from 3% to 0% gradually. Motion second by William Fowler Motion passed by all voting in favor.

Patrick Ripley motion to initiate a private debt manager search. Motion second by James Vieira Motion passed by all voting in favor.

Robert Maiocco motion to reduce the S&P500 policy from 22% to 14% and reinvest 8% into a Russell 1000 Value Fund. Motion second by Patrick Ripley Motion passed by all voting in favor.

James Vieira motion to initiate a Russell 1000 Value Index Manager search. Motion second by William Fowler Motion passed by all voting in favor.

Mr. Driscoll said he will begin the search in accordance with PERAC's regulations and will follow-up with Mark Minervini.

11:30: Scott Driscoll and Dan Sherman left the meeting.

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

2. Reading of notice & certificate – Meeting Notice Posted on April 6, 2022
Robert Maiocco motion to place on file the Board meeting notice and certificate that was posted on April 6, 2022. Motion second by James Vieira. Motion passed by all voting in favor.
3. Reading of Previous Meeting by Secretary
James Vieira motion to waive reading of previous meeting by secretary. Motion second by Robert Maiocco Motion passed by all voting in favor.
4. Vote to approve the minutes of the Board meeting held on March 31, 2022
James Vieira motion to approve the minutes of the Board meeting held on March 31, 2022. Motion second by Robert Maiocco. Motion passed by all voting in favor.
5. Bills, Communications, Refunds, Transfers, Payrolls, Etc.

Warrant S17

Morgan Records - March 202	\$22.05
Morgan Records - April 2022	\$22.05
Law Offices of Michael Sacco - March 2022	\$552.00
Sherman Actuarial Services - 1/1/22 Actuarial Valuation	\$7,000.00
Thompson Reuters - 2022 Legal Updates	\$436.00
Mark Minervini - Reimbursement March 2022 Vast Conference and GoToMeeting	\$41.80
State Retirement Board - 3(8)(c)	\$71,546.15
Worcester Retirement Board - 3(8)(c)	\$2,974.83
Essex Regional Retirement Board - 3(8)(c)	\$4,586.97
Cambridge Retirement Board - Transfer to Cambridge - Panagiota Antonoglou. 14 years 9 months service	\$128,864.87
MTRS - Transfer Anthony Ricardo: 2 Months Service	\$304.66
Proshred - April	\$36.75
Toshiba - Contract Feb-Mar 22 and Mar-Apr 22	\$241.00
Toshiba - Images Jan-Apr 2022	\$66.30
Kingsbury Press - Envelopes	\$491.50
WB Mason - Office Supplies	\$276.12
Rhumblin - TIPS 1Q22 Management Fees	\$1,257.00
Rhumblin - SP500 1Q22 Management Fees	\$5,360.00
Rhumblin - SP400 1Q22 Management Fees	\$883.00
Garcia Hamilton & Associates - 1Q22 Management Fees	\$16,365.75
Loomis / Sayles - 1Q22 Management Fees	\$24,998.73
Staff Salaries	4,750.53
Medicare	64.06
Massachusetts SUI	4.75
MA Health Ins/EMAC	-
Harpers Payroll Fee	39.38
Expense Total	\$271,186.25
Pension	1,577,921.43
*Annuity	427,057.54
COLA	-
Retiree Payroll Total	2,004,978.97
Warrant S17 Total	\$2,276,165.22
Prior Warrants	
Schedule 12	2,100.00
Schedule 13	4,862.22
Schedule 14	19,301.22
Schedule 15	4,860.71

Schedule 16	7,435.76
Reference Total	38,559.91
Grand Total Warrant S17 with Prior Warrants	2,314,725.13

*The annuity includes an Option B payment to Martha V. Tower, beneficiary of Fredrick Tower Jr. who passed away on March 15, 2022. The option B gross payment amount is \$76,688.15. 20% Federal tax withheld is \$14,478.68. Net payment to Mrs. Tower is \$62,209.47.

Mark Minervini informed the Board that S12 above is Board stipend from last month.

A motion was made by William Fowler and second by Patrick Ripley to approve all bills, transfers, refunds, staff payrolls and retirement payroll listed above on schedules S12, S13, S14, S15, S16 and S17. Motion passed by all voting in favor.

6. Report of Chairman:

Letter of Direction to Rhumblin Dated 4/19/2022

Patrick Ripley motion to approve the letter of direction to Rhumblin dated 4/19/2022, instructing Rhumblin to transfer \$1,500,000 from the TIPS Account on the next trade date and wire the funds to People's Bank. Motion second by William Fowler Motion passed by all voting in favor.

Wire Transmittal Letter Dated 4/20/2022 Transferring \$1,600,000 From People's Bank to Brookline Bank.

William Fowler motion to approve the Wire Transmittal Letter Dated 4/20/2022 Transferring \$1,600,000 from People's Bank to Brookline Bank. This wire transfer was completed on 4/20/2022 by Mark Minervini to fund April 2022 expenses and pension payroll. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

PRIT Confirmation Notice Dated 4/1/2022

William Fowler motion to place on file the PRIT Confirmation Notice Dated 4/1/2022 Notifying the Board that a Private Equity Vintage Year Program payment of \$49,969.19 was received by PRIM on 4/1/2022. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

PRIT Payment Due Notice Dated 5/2/2022

Patrick Ripley motion to place on file PRIT Private Equity Vintage Year payment due notice notifying the Board that a payment of \$41,771.60 is due 5/2/2022. Motion second by William Fowler. Motion passed by all members voting in favor.

PERAC Memo #11 /2022 – Mandatory Retirement Board Member Training - 2nd Quarter 2022

James Vieira motion to place on file PERAC Memo #11 /2022 – Mandatory Retirement Board Member Training - 2nd Quarter 2022. Motion second by William Fowler. Motion passed by all members voting in favor.

2021 Financial Annual Statement Submitted to PERAC on April 8, 2022

James Vieira motion to place on file that the 2021 Financial Annual Statement Submitted to PERAC on April 8, 2022. Motion second by William Fowler. Motion passed by all members voting in favor.

1/1/2022 Actuarial Valuation Presentation

William Fowler motion to place on file 1/1/2022 Actuarial Valuation Presentation. Motion second by James Vieira. Motion passed by all members voting in favor.

January 2022 Accounting Submitted to PERAC

William Fowler motion to place on file January 2022 Accounting Submitted to PERAC. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

People's Bank Merged with M&T Bank on 4/2/2022

Mark Minervini informed the Board that he spoke with Tony Teberio about the merger. Mr. Teberio said currently everything is operating the same. He explained that Wilmington Bank is a middle tier custodial bank like People's Bank. Mr. Teberio said he will notify the Board of any changes when he is aware.

William Fowler motion to place on file People's Bank Merged with M&T Bank on 4/2/2022. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

MACRS June Conference Registration

William Fowler motion to place on file the MACRS conference registration. Motion second by James Vieira. Motion passed by all members voting in favor.

PERAC Acknowledgement Received for Rhumblin S&P500 Procurement

The Rhumblin S&P500 contract has been reviewed and amended by Michael Sacco's office to comply with PERAC. Copies of the amended contracts have been uploaded to Dropbox and can be executed.

William Fowler motion to approve the Rhumblin S&P500 contract as amended by Michael Sacco. Motion second by James Vieira. Motion passed by all members voting in favor.

Formax Maintenance Agreement

Formax Pressure Sealer maintenance agreement cost \$487.50/yr.

James Vieira motion to approve the Formax Pressure Sealer maintenance agreement at a cost \$487.50/yr. Motion second by William Fowler. Motion passed by all members voting in favor.

Rhumblin Organizational Update

James Vieira motion to place on file the Rhumblin Organizational Update. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

SFI Filing Deadline Approaching

PERAC email reminder that the filing deadline is May 1, 2022

William Fowler motion to place on file PERAC's "SFI Filing Deadline Approaching" email. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

7. Unfinished Business

COLA Base Increase

Rick Jordan informed the Board that city council approved the \$18k base effective 7/1/2022. Chairman Jordan informed the Board that yesterday the Massachusetts legislature passed a bill to increase the cola to 5% for 1 year, will go before the senate next month.

8. New Business

Frank Cappuccio Involuntary Accidental Disability Application

Mr. Cappuccio tested positive for covid on 4/25/2022 and provided a positive test result. The hearing needs to be re-scheduled to next Board meeting.

Patrick Ripley informed the Board that Frank Cappuccio contacted him. Mr. Ripley directed him to Section 16 and informed him that the Board is allowed to accept or deny the application.

William Fowler motion to place on file that Mr. Cappuccio tested positive for covid on 4/25/2022 and provided a positive test result and the hearing needs to be re-scheduled to next Board meeting. Motion second by James Vieira. Motion passed by all members voting in favor.

Michael Salvi Buyback

911 Public Safety Dispatch Supervisor

Date of Membership: 12/21/2020

Mr. Salvi is buying back previous refund from Boston Retirement Board. Service time from 8/24/1994 to 2/18/2000 (Boston accepts 5 years, 5 months, 25 days of service). Buyback Cost = \$32,858.44 and includes interest through 5/31/22. Interest is added to unpaid balance annually during the 5-year payment period.

James Vieira motion to approve Michael Salvi Buyback as outlined above. Motion second by William Fowler. Motion passed by all members voting in favor.

Consider Parking Meter Repair Person as an Eligible Position for Membership

James Vieira motion to approve Parking Meter Repair Person as an Eligible Position for Membership. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

Parking Control Specialist as an Eligible Position for Membership

James Vieira motion to approve Parking Control Specialist as an Eligible Position for Membership. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

New Employees:

<u>Name</u>	<u>Unit</u>	<u>Position</u>	<u>Hire Date</u>	<u>FT/PT</u>
Ariana Mederios	SCH	Non Unit Instructional Support Staff	2/28/2022	Full-time
Michele Senibaldi	MHA	Admin Assistant Rent Calculation Specialist	3/14/2022	Full-time

William Fowler motion to approve membership for the employees listed above. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

Retirements:

<u>Name</u>	<u>Unit</u>	<u>Option</u>	<u>Retirement Date</u>
Janice Joyce	CTY	Superannuation Option A	6/30/2022
Karlene Bognanni	CTY	Superannuation Option A	6/30/2022

William Fowler motion to approve retirement listed above. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

9. Executive Session


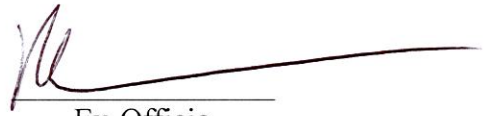
N/A

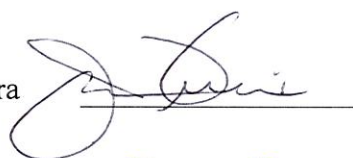
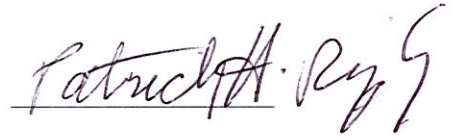
10. Adjournment

Next meeting scheduled May 31, 2022 at 9:30am in 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:  On 4-28-2022
Mark Minervini

Rick Jordan  Chairman
~~William Fowler~~
Robert Dickinson  Ex-Officio

James Vieira 
Patrick H. Ripley 

Robert Maiocco 