

MINUTES OF THE MEDFORD RETIREMENT BOARD MEETING HELD on 6-28-2022 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”, Bob Dickinson “PRESENT”, Rick Jordan “PRESENT”, James Vieira “PRESENT”  
Absent: None  
Others Present: Mark Minervini  
9:30am Scott Driscoll from NEPC
- Patrick Ripley motion to suspend order of business for NEPC presentation. Motion second by Robert Maiocco Motion passed by all voting in favor.

Scott Driscoll distributed NEPC’s handout dated June 28, 2022. Mr. Driscoll reviewed the Market and fund’s May 2022 performance indicating that the fund balance is \$232.6M as of May 31, 2022. Mr. Driscoll provided a market update reviewing the S&P 500 and BBG Muni HY performance indicating that there has been volatility across the board. Discussion about fed increasing the rate .75 and suspect there will be another increase. Discussion about growth vs. value stock, and yield curve. Mr. Driscoll reviewed the fund performance focusing on equity and emerging market debt. Discussion about Ashmore termination, TIPS account and funds availability, the city appropriation and rebalancing. Mr. Driscoll presented a new asset allocation mix comparing the current allocation with the proposed “Mix A”.

Asset Class	Current Policy	Mix A
US Large-Cap Equity	23.0%	23.0%
US Small/Mid-Cap Equity	7.0%	7.0%
Non-US Developed Equity	11.0%	11.0%
Emerging Market Equity	8.0%	8.0%
Private Equity	10.0%	10.0%
Total Equity	58.0%	58.0%
US Aggregate Bond	12.0%	12.0%
Emerging Market Debt	4.0%	0.0%
Global Multi-Sector Fixed Income	8.0%	10.0%
Private Debt	3.0%	3.0%
Total Fixed Income	27.0%	25.0%
Real Estate	10.0%	12.0%
Total Real Assets	10.0%	12.0%
Hedge Fund	5.0%	5.0%
Total Multi Asset	5.0%	5.0%
Expected Return 10 yrs	6.1%	6.0%
Expected Return 30 yrs	7.1%	7.1%
Standard Dev	13.4%	13.3%
Sharpe Ratio (30 years)	0.33	0.33
Total	100.0%	100.0%

**Current Mix**

- Long-term Expected Return: 7.1%
- Standard Deviation: 13.4%

**Mix A**

- Long-term expected return remains unchanged: 7.1%
- Standard Deviation decreases 10 basis points (13.4% vs. 13.3%)
- Reduce Public Fixed Income from 24% to 22%
  - Eliminate Emerging Market Blended Debt (4%)
  - Increase Global Multi-Sector Fixed Income (8% vs. 10%)
- Increase Real Estate target allocation from 10% to 12%
- Inflation hedge/income generation

Discussion about the Sharpe Ratio, expected returns and liquidity. Additional discussion about real estate, PRIM, emerging market debt and fixed income.

Robert Maiocco motion to adopt the new asset allocation mix and outlined above. Motion second by Patrick Ripley Motion passed by all voting in favor.

Mr. Driscoll presented the results from the Private Debt Manager Search and informed the Board that responses were due May 16, 2022 at 2:00PM EST. The target fund strategies are opportunistic and distressed with the following criteria:

- Candidates must have familiarity with and agree to comply with Massachusetts G.L. Chapter 32 and Chapter 176 of the Acts of 2011.
- Candidates must be registered with the Securities and Exchange Commission or with the Secretary of State where the firm is domiciled.
- Preference will be given to candidates that have raised at least two prior funds for the proposed strategy.
- The final close date of the proposed fund must be no earlier than September 30, 2022.

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- It is preferred that the proposed fund is raising at least \$200 million.

Mr. Driscoll informed the Board that 29 responses were received and not all of them proposed strategies in the search criteria. NEPC narrowed the list to four respondents: AlbaCore Capital, Bain Capital Credit, GoldenTree Asset Management, and Oak Hill Advisors.

Discussion about distress strategy, credit opportunities and direct lending. Target Net IRR reviewed along with preferred return. Discussion about fees and liquidity. Additional detailed discussion about distressed debt, Oak Hill and Goldentree. Discussion about private debt "lockup" which is typically 5 – 8 years and compared to private equity. Discussion about cash flow. Rick Jordan asked which strategy works best for us? Mr. Driscoll answered that any 4 would work. Discussion about interviews. The Board decided to interview GoldenTree Distressed Fund and Albacore.

James Vieira motion to interview Goldentree and Albacore during the July 2022 Board meeting. Motion second by Patrick Ripley Motion passed by all voting in favor.

Patrick Ripley asked additional questions about private debt referring back to 2008 comparing to the markets today. Additional discussion about distressed stress and Mr. Driscoll said the Board will commit 3% of the total assets, approximately \$7M.

Mr. Driscoll discussed rebalancing recommendations indicating that the recommendation is based on receiving the city's appropriation in July, closing Rhumblin TIPS fund and receiving the funds from Ashmore on July 11, 2022. Mr. Driscoll recommends the following rebalancing:

\$5M in cash  
\$4.1M Rhumblin S&P500  
\$3M Lazard International Equity  
\$4M City of London  
\$8M Loomis Multisector  
\$4M PRIM Real Estate

Robert Maiocco motion adopt the rebalancing plan as outlined by NEPC. Motion second by James Vieira Motion passed by all voting in favor.

Mr. Driscoll said he will follow up with Mark Minervini about setting up the interviews and rebalancing.

Mr. 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 June 9, 2022

James Vieira motion to place on file the Board meeting notice and certificate that was posted on June 9, 2022. Motion second by Robert Maiocco. Motion passed by all 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 voting in favor.



4. Vote to approve the minutes of the Board meeting held on May 31, 2022

Patrick Ripley motion to approve the minutes of the Board meeting held on May 31, 2022. Motion second by Robert Maiocco. Motion passed by all voting in favor.

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

**Warrant S26**

Morgan Records - May 2022	\$80.30
Law Offices of Michael Sacco - May 2022 Legal fees	\$264.00
NEPC - 2Q2022	\$20,000.00
Mark Minervini - Reimbursement May 2022 Vast Conference and GoToMeeting	\$41.80
Mark Minervini - Reimbursement for Dropbox annual subscription	\$1,800.00
Mark Minervini - Reimbursement for MACRS 2022	\$500.94
Michelle LaJoie - Reimbursement for MACRS 2022	\$500.94
James Viera - Reimbursement for MACRS 2022	\$639.45
Rick Jordan - Reimbursment for MACRS 2022	\$957.48
Malden Retirement Board - Transfer Erin Simpson: 2 years 7 months of service	\$15,101.94
*Barnstable County Retirement Board - 38c Payment	\$18,888.98
Chelsea Retirement Board - Transfer Jasmine Bell: 4 months of service	\$657.13
MTRS - Transfer Giselle Montminy: 10 months of service	\$1,556.38
Stoneham Retirement Board - Transfer Ashley Snyder: Trailing deductions	\$63.21
MTRS - Transfer Kathryn Powalisz: 1 year 8 months of service	\$2,658.28
Malden Retirement Board - Transfer Irma Molina: 21 years 1 month of service	\$90,350.94
Merrill Edge - Rollover FBO Frederick Doherty	\$8,798.29
Christopher Bottari - Refund Deductions	\$49,814.74
IRS a/c Christopher Bottari - Federal tax withholding	\$12,453.69
Jason Fucile - Refund Deductions	\$13,164.49
IRS a/c Jason Fucile - Federal tax withholding	\$3,291.12
Kristin Connor - Refund Deductions	\$16,078.63
IRS a/c Kristin Connor - Federal tax withholding	\$4,019.66
Kelley Mulvihill - Refund Deductions	\$1,884.66
IRS a/c Kelley Mulvihill - Federal tax withholding	\$471.17
Wendy Geronimo - Refund Deductions	\$11,827.15
IRS a/c Wendy Geronimo - Federal tax withholding	\$2,956.79
The Hartford - Audit adjustment	\$29.00
Proshred - May 2022	\$36.75
Ready Refresh - May 2022	\$20.97
Toshiba - May 2022	\$120.50
Toshiba - Usage April 11-June 7, 2022	\$41.88
WB Mason -	\$84.47
WB Mason -	\$11.74
Staff Salaries	4,750.53
Board Stipends	-
Medicare	-
Massachusetts SUI	-
MA Health Ins/EMAC	-
Harpers Payroll Fee	-
<b>Expense Total</b>	<b>\$283,918.00</b>
Pension	1,581,548.25
Annuity	352,314.54
COLA	-
Retiree Payroll Total	<b>1,933,862.79</b>
<b>Warrant S26 Total</b>	<b>\$2,217,780.79</b>
<b>Prior Warrants</b>	

Schedule 23	4,858.09
Schedule 24	4,858.09
Schedule 25	7,010.78
<b>Reference Total</b>	<b>16,726.96</b>
<b>Grand Total Warrant S26 with Prior Warrants</b>	<b>\$2,234,507.75</b>

\*Barnstable County 3(8)(c) payment of \$27,250.47 approved May 31, 2022 on S22 was voided, the corrected amount of \$18,888.98 is above on warrant S26.

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 S23, S24, S25 and S26. Motion passed by all voting in favor.

#### 6. Report of Chairman:

##### **Letter of Direction to Rhumblin Dated 6/10/2022**

Robert Maiocco motion to approve the letter of direction to Rhumblin dated 6/10/2022, instructing Rhumblin to transfer \$1,700,000 from the TIPS Account on the next trade date and wire the funds to M&T Bank. Motion second by James Vieira Motion passed by all voting in favor.

##### **Ashmore Request for Withdrawal Form Dated June 1, 2022**

Instructing Ashmore to withdraw the entire balance from the Limited Partner's Capital Account and wire the funds to M&T Bank on the next available trade date (6/30/2022). Funds will be available on 7/11/2022

Robert Maiocco motion to approve the letter of direction to Ashmore dated 6/1/2022, Instructing Ashmore to withdraw the entire balance from the Limited Partner's Capital Account and wire the funds to M&T Bank on the next available trade date. Motion second by James Vieira Motion passed by all voting in favor.

##### **Wire Transmittal Letter Dated 6/16/2022 Transferring \$1,700,000 From M&T Bank to Brookline Bank.**

This wire transfer was completed on 6/16/2022 by Mark Minervini to fund May 2022 expenses and pension payroll.

Patrick Ripley motion to approve the Wire Transmittal Letter Dated 6/16/2022 Transferring \$1,700,000 from M&T Bank to Brookline Bank. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

##### **PRIT Confirmation Notice Dated 6/1/2022**

James Vieira motion to place on file the PRIT Confirmation Notice Dated 6/1/2022 Notifying the Board that a Private Equity Vintage Year Program payment of \$95,981.97 was received by PRIM on 6/1/2022. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

##### **PRIT Payment Due Notice Dated 7/1/2022**

James Vieira motion to approve the PRIT Private Equity Vintage Year payment of \$15,613.63 due 7/1/2022. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

##### **PRIT Fiscal Year 2023 Maintenance Balance Election Form**

Robert Maiocco motion to approve the PRIT Fiscal Year 2023 Maintenance Balance Election Form. Motion second by James Vieira. Motion passed by all members voting in favor.



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## **Board Review of April 2022 Accounting Cash Books and Cash Reconciliation Reports**

The Cash books and reconciliation reports are included with the handouts. Mark Minervini explained the reports to the Board and answered questions. The Board reviewed the cash books and reconciliation reports. James Vieira asked about a \$310 deposit. Mark Minervini explained that is reinstatement payment.

Robert Maiocco motion to approve the April 2022 Accounting Cash Books and Cash Reconciliation Reports. Motion second by James Vieira. Motion passed by all members voting in favor.

### **PERAC Memo #13 /2022 – 2021 Salary Verification Request**

Patrick Ripley motion to place on file PERAC Memo #13 /2022 – 2021 Salary Verification Request. Motion second by Robert Maiocco. Motion passed by all members voting in favor

### **PERAC Memo #14 /2022 – Supreme Judicial Court decision in *Vernava II* -Action Required**

Mark Minervini informed the Board that complying with the memo will be a long process. We have identified approximately 101 retirees and 54 actives affected. We will begin assessing the active employees who are currently collecting work comp and then assess actives who have work comp history. A letter has been sent to the City Treasurer, School's Comptroller and the Housing's Director of Finance requesting that retirement deductions not be withheld on vacation and sick time paid in conjunction with work comp, and reverse the deductions withheld in 2022. Prior year deductions will be calculated and refunded by the Retirement office. Mark Minervini provided a breakdown of the affected.

54 current actives members either currently on work comp or have been at some point in the employment.

11 deaths.

8 survivors

4 inactive

26 disability retirees

45 superannuation retirees

5 transferred/withdrawn

2 questionable

James Vieira asked that a status report be provided to the Board. Mark Minervini said he will provide monthly status updates as we move through the process.

James Vieira motion to place on file PERAC Memo #14 /2022 – Supreme Judicial Court decision in *Vernava II* -Action Required. Motion second by Patrick Ripley. Motion passed by all members voting in favor

### **Michael Sacco All Client Memo – PERAC Memo #14 /2022 Implications and Implementation**

James Vieira motion to place on file Michael Sacco All Client Memo – PERAC Memo #14 /2022 Implications and Implementation. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

### **Received PERAC Procurement Approval for Rhumblin Russell 1000 Value Pooled Index Fund**

Mark Minervini informed the Board that Michael Sacco is currently reviewing the contract.

Patrick Ripley motion to place on file PERAC Procurement Approval for Rhumblin Russell 1000 Value Pooled Index Fund. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

7. Unfinished Business

N/A

8. New Business

**Michelle Lajoie Annual Review**

The annual review document is included in handouts.

Michelle Lajoie's annual review was discussed. Mark Minervini informed the Board that Michelle is currently CAF 12 and she moved to step 5 on her anniversary date. There was a discussion about cost-of-living increase. James Vieira asked if the city had a COLA since 1/1/2020? Mark Minervini confirmed that the city has not updated their compensation plan with COLA since 1/1/2020 for general employees. I'm sure they will be updating the plans at some point, Fire and police plans have been updated. Discussion about COLA and Michelle's work history continued. Mark Minervini said Michelle has taken on the role of Records Access Officer in early 2017. Discussion about Record's Access Officer. Mark Minervini explained the that the role requires Michelle to be the point of contact for all public requests. Requests are analyzed to determine the requirements and if the records are readily available and the in the format requested. If the requests require more than 2 hours to complete, she determines the cost. A letter confirming the request is sent and additional letters about cost (if applies). The records are produced and forwarded to the recipient. All record requests are logged and filed. Discussion about a stipend for the Records Access Officer and that other Retirement Boards offer a stipend and the city also offers a stipend. James Vieira said that acting as a Records Access Officer is in addition to her job description. James Vieira said he looks favorable on a stipend. Stipends were discussed. Patrick Ripley said we changed her title in the past and has no problem doing something for her now.

Patrick Ripley motion to extend a \$1,500 annual stipend to Michelle, paid monthly, for Records Access Officer duties. Motion second by James Vieira. 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>
John Kelleher	CTY	Traffic Supervisor	3/4/2022	full time
Charles Hamilton	CTY	Traffic Supervisor	3/14/2022	full time
Daniel Stoneking	CTY	Water and Sewer Superintendent	5/23/2022	full time
Lauren Stuart	MHA	Leased Housing Coordinator	5/17/2022	full time
Patricia Lally	CTY	Principal Clerk	6/6/2022	full time
Jessica D'Esposito	CTY	911 Dispatcher	6/13/2022	full time
Jeremy Johns	CTY	Director of Veteran's Affairs	6/13/2022	full time

James Vieira 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>
Patrick O'Keefe	CTY	Superannuation Option C	7/9/2022
Lawrence James	CTY	Superannuation Option C	7/9/2022
James Colorusso	CTY	Superannuation Option C	7/9/2022



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

9. Executive Session

N/A

10. Adjournment

Next meeting scheduled for Tuesday July 26, 2022 at 9:30am in City Hall Room 201.

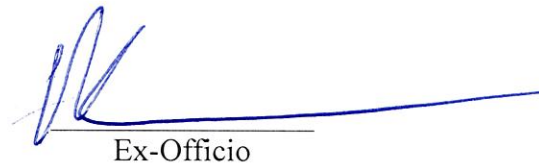
Robert Maiocco. motioned to adjourn meeting. Motion second by James Vieira. Motion passed by all members voting in favor.

A true Record by:  On 6-28-2022  
Mark Minervini

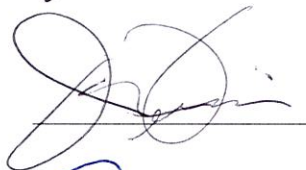
Rick Jordan

  
Chairman

Robert Dickinson

  
Ex-Officio

James Vieira



Patrick H. Ripley



Robert Maiocco



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