

**MINUTES OF THE MEDFORD RETIREMENT BOARD MEETING HELD on  
7-26-2022 at 9:30am in room 201 at Medford City Hall**

1. 9:30am Call meeting to order.  
 Roll Call: Rick Jordan, Patrick Ripley, James Vieira, Robert Maiocco  
 Absent: Robert Dickinson  
 Others Present: Mark Minervini  
 9:30am Scott Driscoll from NEPC  
 10:15am: Alabocore Capital: David Allen (Via phone), Jenny Fung  
 11:00am: Goldentree Asset Management: Pat Dyson, Brendan McDonough and Jon Sachs
  
2. Reading of notice & certificate – Meeting Notice Posted on July 18, 2022  
  
 James Vieira motion to place on file the Board meeting notice and certificate that was posted on July 18, 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 June 28, 2022  
  
 James Vieira motion to approve the minutes of the Board meeting held on June 28, 2022. Motion second by Robert Maiocco. Motion passed by all voting in favor.
  
5. Bills, Communications, Refunds, Transfers, Payrolls, Etc.

<b>Warrant S30</b>	
Morgan Records - June 2022	\$22.05
Law Offices of Michael Sacco - June 2022 legal fees	\$1,238.00
Loomis Sayles - Q2 2022	\$23,900.66
Garcia Hamilton - Q2 2022	\$15,856.87
Rhumblin - BTIPS-P	\$745.00
Rhumblin - SP500MAP	\$4,832.00
Rhumblin - SP400P	\$808.00
Mark Minervini - Reimbursement June 2022 Postage, Vast Conference and GoToMeeting	\$50.33
Joseph DePace - Refund Deductions	\$3,253.67
IRS a/c Joseph DePace - Federal Tax withholdings	\$813.42
Mary McCarthy - Refund Deductions	\$4,742.74
IRS a/c Mary McCarthy - Federal Tax withholdings	\$1,185.69
Amy Prestigiovanni - Refund Deductions	\$3,972.56
IRS a/c Amy Prestigiovanni - Federal Tax withholdings	\$993.14
Frederick Perry - Refund Deductions	\$3,096.46
IRS a/c Frederick Perry - Federal Tax withholdings	\$774.11
Proshred - June 2022	\$36.75
Ready Refresh - June 2022	\$18.16
Toshiba - June 2022	\$120.50
Toshiba - overage 6/7/2022 - 7/9/2022	\$29.51
WB Mason - Inv 230871357	\$130.79
Boston Time Clock - Inv 22-21625	\$240.00
M&T Global Custody Bank - May 2022 Custody Service	\$4,006.05
Staff Salaries	4,750.53
Board Stipends	-
Medicare	-
Massachusetts SUI	-

MA Health Ins/EMAC	-
Harpers Payroll Fee	-
<b>Expense Total</b>	<b>\$75,616.99</b>
Pension	1,589,401.94
Annuity	356,581.84
COLA	22,787.64
Retiree Payroll Total	<b>1,968,771.42</b>
<b>Warrant S30 Total</b>	<b>\$2,044,388.41</b>
<b>Prior Warrants</b>	
Schedule 27	5,091.39
Schedule 28	4,857.49
Schedule 29	7,132.58
<b>Reference Total</b>	<b>17,081.46</b>
<b>Grand Total Warrant S30 with Prior Warrants</b>	<b>\$2,061,469.87</b>

A motion was made by Robert Maiocco and second by James Vieira to approve all bills, transfers, refunds, staff payrolls and retirement payroll listed above on schedules S27, S28, S29 and S30. Motion passed by all voting in favor.

6. Report of Chairman:

**Letter of Direction to Rhumblin Dated 7/11/2022**

Robert Maiocco motion to approve the letter of direction to Rhumblin dated 7/11/2022, Instructing Rhumblin to withdraw the entire balance from the TIPS Account on the next trade date and wire the funds to M&T Bank. Motion second by Patrick Ripley Motion passed by all voting in favor.

**Letter of Intent to Rhumblin Dated 7/14/2022**

James Vieira motion to approve the Letter of Intent to Rhumblin Dated 7/14/2022 notifying Rhumblin of the Board's intent to contribute \$4,100,000 to the S&P 500 Account on July 14, 2022. Motion second by Robert Maiocco Motion passed by all voting in favor.

**Letter of Direction to M&T Bank (formally People's Bank)**

James Vieira motion to approve the Letter of Direction to M&T Bank instructing M&T Bank to Wire \$4,100,000 from the Board's cash account to Rhumblin Advisors on July 14, 2022. Motion second by Robert Maiocco Motion passed by all voting in favor.

**Subscription Agreement to City of London Dated 7/14/2022**

James Vieira motion to approve the Subscription Agreement to City of London Dated 7/14/2022 notifying City of London of the Board's intent to contribute \$4,000,000 to the Emerging Markets Country Fund on August 31, 2022. Motion second by Patrick Ripley Motion passed by all voting in favor.

**Letter of Direction to M&T Bank**

James Vieira motion to approve the Letter of Direction to M&T Bank Instructing M&T Bank to Wire \$4,000,000 from the Board's cash account to the Emerging Markets Country Fund with City of London on August 31, 2022. Motion second by Patrick Ripley Motion passed by all voting in favor.

**Letter of Direction to M&T Bank**

Patrick Ripley motion to approve the Letter of Direction to M&T Bank Instructing M&T Bank to Wire \$3,000,000 from the Board's cash account to the Board's Lazard portfolio on July 14, 2022. Motion second by Robert Maiocco Motion passed by all voting in favor.

**Subscription Letter to Loomis Sayles Dated 7/14/2022**

James Vieira motion to approve the Subscription Letter to Loomis Sayles Dated 7/14/2022 notifying Loomis Sayles of the Board's intent to contribute \$8,000,000 to the Multi Sector Full Discretion Trust on July 14, 2022. Motion second by Robert Maiocco Motion passed by all voting in favor.

**Letter of Direction to M&T Bank**

James Vieira motion to approve the Letter of Direction to M&T Bank instructing M&T Bank to Wire \$8,000,000 from the Board's cash account to Loomis Sayles Multi Sector Full Discretion Trust Fund on July 14, 2022. Motion second by Patrick Ripley Motion passed by all voting in favor.

**PRIT Fund Deposit Form Dated August 1, 2022**

Robert Maiocco motion to approve the PRIT Fund Deposit Form Dated August 1, 2022 notifying PRIM and M&T Bank of the Board's intent to deposit \$4,000,000 to the Core Real Estate Account on August 1, 2022. Motion second by James Vieira Motion passed by all voting in favor.

**Wire Transmittal Letter Dated 7/20/2022 Transferring \$650,000 From M&T Bank to Brookline Bank.**

This wire transfer was completed on 7/20/2022 by Mark Minervini to fund July 2022 expenses and pension payroll.

James Vieira motion to approve the Wire Transmittal Letter Dated 7/20/2022 Transferring \$650,000 from M&T Bank to Brookline Bank. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**PRIT Confirmation Notice Dated 7/1/2022**

Patrick Ripley motion to place on file the PRIT Confirmation Notice Dated 7/1/2022 notifying the Board that a Private Equity Vintage Year Program payment of \$15,613.63 was received by PRIM on 7/1/2022. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**PRIT Payment Due Notice Dated 8/1/2022**

Patrick Ripley motion to approve the PRIT Private Equity Vintage Year payment of \$171,022.90 due 8/1/2022. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**Letter from IRS and Abatement Request**

Patrick Ripley motion to place on file the Letter from the IRS and the Abatement Request. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**Board Review of March 2022 Accounting Cash Books and Cash Reconciliation Reports**

The Cash books and reconciliation reports are included with the handouts.

James Vieira motion to approve the March 2022 Accounting Cash Books and Cash Reconciliation Reports. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

**PERAC Memo #18 /2022 – Expiration of Open Meeting Law Waiver**

James Vieira motion to place on file the PERAC Memo #18 /2022 – Expiration of Open Meeting Law Waiver. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

**PERAC Memo #19 /2022 – Extension of Open Meeting Law Waivers**

James Vieira motion to place on file the PERAC Memo #19 /2022 – Extension of Open Meeting Law Waivers. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**PERAC Memo #20 /2022 – Reinstatement to Service under G.L c. 32 § 105**

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James Vieira motion to place on file the PERAC Memo #20 /2022 – Reinstatement to Service under G.L c. 32 § 105. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**PERAC Audit Notification Letter and Engagement Letter**

Patrick Ripley motion to place on file the PERAC Audit Notification Letter and Engagement Letter. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**Joseph Albano III - 91A Over Earnings Letter from PERAC**

Patrick Ripley motion to table until the end of the meeting. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

James Vieira motion to suspend the normal order of business for Albacore, GoldenTree Asset Management and NEPC to present. Motion second by Robert Maiocco. Motion passed by all voting in favor.

Scott Driscoll updated the Board about the upcoming presentations and reviewed the RFP indicating that 3% of the fund (approximately \$8M) will be allocated for Private Debt. A brief discussion about the companies presenting.

10:00AM – Albacore Capital Group distributed their handout dated July 26, 2022. Jenny Fung was present in person and David Allen via phone. David Allen began the presentation reviewing his background indicating he is a Managing Partner and Chief Investment Officer with 30 years experience and that he is based in London, and the business started in 2016. Mr. Allen informed the Board that he work for the Canadian Mounted Police pension system. Discussion about performance. Mr. Allen said Albacore has \$9B in assets under management. Robert Maiocco asked Mr. Allen if they have any money in Russia? Mr. Allen answered no. Scott Driscoll asked how many public pension plans are committed to this fund? Mr. Allen answered yes a few. Jenny Fung answered that 3 groups are public pension funds in the UK. Mr. Driscoll asked if there are any local funds invested? Mr. Allen said no Massachusetts public pension funds. Robert Maiocco asked to explain their management fees. Ms. Fung responded and said they have a fee deal with NEPC's clients and the management fee is 1.375% and the carry is 17.5% over 8% hurdle. Robert Maiocco asked if that is net or gross, the 8%? Mr. Allen answered net. After 8%, 82.5% will go to Medford and 17.5% Albacore. Mr. Driscoll asked to explain the "waterfall". Mr. Allen answered 50% net over 5 years and a return above 50% then Medford received 82.5% and Albacore 17.5%. Mr. Driscoll asked the target date? Mr. Allen answered November 30, 2022. Patrick Ripley recapped the management fee, Jenny Fung confirmed. Patrick Ripley asked about their environmental, social and governance strategy referencing page 14. Mr. Allen explained their ESG policy. Discussion about PERAC restrictions i.e. tobacco company restrictions. Mr. Allen reviewed their investment policy and length of investment. Rick Jordan asked if anyone has anymore questions? Albacore thanked the Board and left the meeting.

11:00 Pat Dyson, Brendan McDonough and John Sachs from GoldenTree joined the meeting and distributed their handout dated July 26, 2022. Mr. McDonough provided an overview of the firm informing the Board that they are 100% employee owned with 23 partners and have a physical presence in Europe for over 15 years. Mr. McDonough said GoldenTree currently has \$47B in assets under management and outlined their alternative and fixed income strategies. Mr. McDonough provided an overview of the team and said their Executive Committee has an average of 29 years' experience with an average of 15 years at GoldenTree and their investment team has an average of 14 years industry experience. Mr. McDonough said he is local with an office in Dorchester. Mr. Dyson and Mr. Sachs reviewed the distressed market opportunity addressing inflation, geopolitical risk and a shift in borrower characteristics. Discussion about bonds and quality. Patrick Ripley asked for an explanation of distressed. Mr. Dyson used an example of a telecom company and how they invest and restructure management and then they take advantage of the company's rising bond value. Mr. Dyson continued and explained their distressed

investment process. The team was reviewed in detail and their restructuring and turnaround specialist's team and committee explained. Robert Maiocco asked what companies do you invest in? Mr. Dyson answered, not much in retail and a discussion about companies continued. Robert Maiocco asked about the PERAC's restricted list, such as tobacco and about their trading desk. There was a discussion about the trading desk and their investment team. The platform proposed was discussed indicating it's the 4<sup>th</sup> fund and that they are very familiar with PERAC regulations, and named a few Massachusetts public pension funds investing in the proposed fund. Discussion about fees, and Brendon McDonough said they have fee deal with NEPC's clients, and the management fee is 1.275% and the carry is 20% over 8% hurdle. Rick Jordan asked if anyone has additional questions? GoldenTree thanked the Board and left the meeting.

Scott Driscoll summarized the presentations. A discussion about GoldenTree's example of the telecom company. James Vieira said they explained it very well. Comparison about both companies continued and a focus on management fees. Mr. Driscoll said GoldenTree has a more favorable base fee, but the carry is higher than Albacore. Mr. Driscoll said GoldenTree has a lot of their own money in the fund. Robert Maiocco said they have a lot in the "game", and hands down, they seem better. Robert Maiocco said having their own trading desk is an advantage over Albacore. Mr. Driscoll said GoldenTree has worked with PERAC in the past and is familiar with the regulations. Patrick Ripley said GoldenTree is local, employee owned, and the management fees are close. The deadline to commit for GoldenTree is September 30. Rick Jordan asked if anyone has any questions? Robert Maiocco recapped, the distressed IV has a \$3B cap and GoldenTree said they reserved \$8M for Medford, and a discounted management fee because of the relationship with NEPC.

Robert Maiocco motions to hire GoldenTree Asset Management.

Rick Jordan discussed opting out of tobacco companies to comply with PERAC. James Vieira asked how do they restrict tobacco for us? How do we know? Scott Driscoll said the restriction will be in the side letter.

Patrick Ripley seconds the motion. Motion passed by all members voting in favor.

Patrick Ripley asked if it's possible to get a list of the underlying investments on a bi-annual basis? Scott Driscoll answered yes, he believes they provide it on a quarterly basis, and he can set it up.

Patrick Ripley amends the motion to also to require GoldenTree to provide a report of the underlying investments to Medford every quarter.

On the motion - Additional discussion about Russia and not investing in Russia. Scott Driscoll said Boston Retirement did the same and Russia can be eliminated.

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

Scott Driscoll provided a market update reviewing equity and credit markets indicating that the S&P500 is down 20% YTD. Discussion about inflation, the fed action, and bond markets. Discussion about treasury yield curve and the effect on bonds. Mr. Driscoll reviewed the fund performance and informed the Board that the fund market value as of June 30, 2022 is \$221M. YTD the fund is down -11%. Domestic equity, international equity, fixed income, private equity, real estate and hedge fund performance reviewed. Discussion about Ashmore's termination. Scott Driscoll said we need to schedule manager reviews. Mark Minervini mentioned that he received an email from PRIM requesting that a review is scheduled soon. Mr. Driscoll said he will reach out to Garcia Hamilton and PRIM to schedule a review. Rick Jordan said we had a motion a while back that manager reviews need to be in person every two years. Mr. Driscoll will coordinate the reviews with Mark Minervini.

11:45am Mr. Driscoll 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

7. Unfinished Business

**Russell 1000 Opinion Letter from Michael Sacco**

Robert Maiocco motion to approve the Russell 1000 Opinion Letter from Michael Sacco. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

**Actuarial Valuation Report as of January 1, 2022**

James Vieira motion to place the Actuarial Valuation Report as of January 1, 2022 on file. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**Received Frank Cappuccio's Medical Panel Results**

Patrick Ripley said he reviewed the certificates and doctor reports, and all looks good.

Patrick Ripley motion to approve Frank Cappuccio's accidental disability application. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

8. New Business

**New Employees:**

<u>Name</u>	<u>Unit</u>	<u>Position</u>	<u>Hire Date</u>	<u>FT/PT</u>
Yvette Niwa	CTY	Economic Development Planner	6/13/2022	FT
Veronica Gallant	SCH	Admin Assistant	5/23/2022	FT
Robert Dickinson	CTY	Auditor	4/25/2022	FT

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

**Retirements:**

<u>Name</u>	<u>Unit</u>	<u>Option</u>	<u>Retirement Date</u>
Laird Walsh	CTY	Superannuation Option C	8/11/2022

James Vieira motion to approve Laird Walsh as listed above. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**Joseph Albano III - 91A Over Earnings Letter from PERAC**

Discussion about Joseph Albano's excess earnings letter.

Patrick Ripley motion to place on Joseph Albano III - 91A Over Earnings Letter from PERAC. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

**Mark Minervini informed the Board that Housing Authority employee, Bonnie Curran is Reinstated to Membership**

Mark Minervini informed the Board that a Medford Housing Employee has been recently reinstated to her position after being terminated and retired for 5 years. Mrs. Curran is currently working at MHA and contributing to the Retirement System. Mr. Minervini said he will continue to update the Board on this matter.

9. Executive Session

N/A

10. Adjournment

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

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

A true Record by: Mark Minervini On 7-26-2022  
Mark Minervini

Rick Jordan RJ Chairman Robert Dickinson Absent  
Ex-Officio

James Vieira JV Patrick H. Ripley Patrick H. Ripley

Robert Maiocco Robert Maiocco

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