

0047

**MINUTES OF THE MEDFORD RETIREMENT BOARD MEETING HELD on
8-30-2022 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 Doug Moseley from NEPC

9:30am: Jeffrey Detwiler and Stephanie Roberts from Garcia Hamilton and Associates

10:00am: Francesco Daniele from PRIM

Patrick Ripley motion to suspend the normal order of business for Garcia Hamilton. PRIM and NEPC to present. Motion second by Robert Maiocco
Motion passed by all voting in favor

Jeffrey Detwiler and Stephanie Roberts from Garcia Hamilton and Associates distributed their handout dated August 30, 2022. Ms. Roberts provided a firm update and said the firm is still 100% employee owned and in 2021 they added new portfolio manager and client services personnel. They now have 37 employees and will continue to add more client services in 2023. Ms. Roberts also said they hired a cyber security firm in 2023. Currently they have \$17.6B under management and expanding, projecting they will have \$18B under management by the end of 2023. Ms. Robert asked if anyone has questions? Doug Moseley asked if Gilbert Garcia still retains ownership of the firm? Ms. Roberts said Gilbert currently has 33% ownership and is slowly moving ownership to employees over time. 2Q 2022 performance was reviewed along with July 2022 indicating that their weighted return is outperforming the index. Mr. Detwiler provided a market update with a discussion about yield curves and historical fiscal stimulus, rate hikes, potential recession, home and oil prices, and supply chain. Robert Maiocco asked about why GH believes the fed fund rate will not go to 4%? GH answered if it does, they believe that will lead to a recession. More discussion about potential recession, consumer prices and GH strategy. Garcia Hamilton left the meeting.

Francesco Daniele from PRIM joined the meeting and distributed his handout dated August 30, 2022 and provided his background and experience. Mr. Daniele reviewed PRIM's core beliefs and recent recognitions indicating that PRIM's private equity portfolio was ranked #3 among 176 US public pension funds based on 10-year performance and received a certificate of achievement for excellence in financial reporting. Mr. Daniele informed the Board that PRIM has \$100B under management. Discussion about ESG and PRIM's relationship with MIT. Discussion about fossil fuels. Discussion about private equity and underlying managers within vintage years. Discussion about asset allocation and recent changes within the fund reducing global equity and increasing private equity. Discussion about liquidity and private equity.

Doug Moseley from NEPC distributed NEPC's handout dated August 30, 2022 and provided a market update indicating that the S&P500 has a YTD return of -12.6%. The BBG TIPS and BBG Muni High Yield indexes returns were reviewed for July and YTD. Mr. Moseley reviewed the funds performance and indicated the market value as of July 31, 2022 is \$241.1M. Mr. Moseley reviewed the prior month, YTD and 1 – 15 year returns for the composite, emerging markets fixed income, Loomis fixed income, private equity and real estate. Mr. Moseley reviewed the rebalancing recommendation and indicated that the Board recently approved an 8% allocation to the Russell 1000 Value fund and 14% allocation to the S&P500 index fund resulting in \$19.5M transferred from the S&P500 index fund to the Russell 1000 Value fund.

Robert Maiocco motion to reduce the S&P500 Index Fund \$19.5M and transfer the funds to the Russell 1000 Value index fund. Motion second by Bob Dickinson
Motion passed by all voting in favor.

Discussion about GoldenTree funding. Mark Minervini informed the Board that Brendan McDonough and Nancy Lupin from GoldenTree said the first capital call will be due on 9/12. The call is 7.75% (620,000) + cost of carry (\$37,664.38) \$657,664.38. This amount could change slightly if the prime rate changes. Doug Moseley asked Mark Minervini the cash needs for September. Mark Minervini said City of London is scheduled a \$4M contribution on 8/31 and a PRIM private equity call of \$100k due 9/1, this will leave \$352k in the cash account, so we will need to raise cash for the GoldenTree capital call, and operating costs in September. Mr. Moseley said Scott Driscoll will reach out next week. Doug Moseley 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 August 15, 2022

Robert Maiocco motion to place on file the Board meeting notice and certificate that was posted on August 15, 2022. Motion second by Patrick Ripley. 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 July 26, 2022

Robert Maiocco motion to approve the minutes of the Board meeting held on July 26, 2022. Motion second by James Vieira. Motion passed by all voting in favor.

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

Warrant S35

Morgan Records - July 2022	\$22.05
Law Offices of Michael Sacco - July 2022 legal fees	\$2,074.00
Mark Minervini – Vast, GoToMeeting Conf & Domain renewal web	\$194.19
Patrick O'Keefe - Refund for excess deductions	\$96.00
IRS - Federal tax withholdings a/c O'Keefe	\$24.00
Abdourahmane Ba - Refund	\$4,404.36
IRS - Federal tax withholdings a/c Ba	\$1,101.09
Samantha Montag - Refund	\$472.92
IRS - Federal tax withholdings for a/c Montag	\$118.23
Kiara Ortiz - Refund	\$7,190.40
IRS - Federal tax withholdings for a/c Ortiz	\$1,797.60
MTRS - Transfer Leigh Chasteen	\$1,753.12
Lowell Retirement Board - Transfer Ellen Brideau	\$141,150.10
Somerville Retirement Board - Transfer Janine Randall	\$4,829.07
Proshred - July 2022 - Inv 221106213	\$36.75
Ready Refresh - Inv 12G0438273351	\$17.59
Toshiba - July - August 2022	\$120.50
WB Mason - Inv 231813422	\$15.76
WB Mason - Inv 231848481	\$42.48
WB Mason - Inv 232022497	\$187.78
Pension Technology Group - 22-23 support	\$46,300.00
Sherman Actuarial Services - July 2022	\$2,750.00

M&T Global Custody Bank - June 2022 Custody Service	\$3,874.54
Staff Salaries	4,750.53
Expense Total	\$223,323.06
Pension	1,606,426.53
Annuity	366,276.12
COLA	22,624.95
Retiree Payroll Total	1,995,327.60
Warrant S35 Total	\$2,218,650.66
Prior Warrants	
Schedule 31	4,964.45
Schedule 32	4,857.49
Schedule 33	4,857.49
Schedule 34	7,137.12
Reference Total	21,816.55
Grand Total Warrant S35 with Prior Warrants	\$2,240,467.21

A motion was made by Patrick Ripley and second by Robert Maiocco to approve all bills, transfers, refunds, staff payrolls and retirement payroll listed above on schedules S31, S32, S33, S34 and S35. Motion passed by all voting in favor.

6. Report of Chairman:

Letter of Direction to Loomis Sayles Dated 8/16/2022

Robert Maiocco motion to approve the Wire Transmittal Letter Dated 8/16/2022 Instructing Loomis Sayles to withdraw \$500,000 from the Multisector Full Discretion Fund on the next trade date and wire the funds to M&T Bank. Motion second by James Vieira. Motion passed by all members voting in favor.

Wire Transmittal Letter Dated 7/20/2022 Transferring \$1,750,000 From M&T Bank to Brookline Bank.

James Vieira motion to approve the Wire Transmittal Letter Dated 8/22/2022 Transferring \$1,750,000 from M&T Bank to Brookline Bank. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

PRIT Confirmation Notice Dated 8/1/2022

James Vieira motion to place on file the PRIT Confirmation Notice Dated 8/1/2022 notifying the Board that a Private Equity Vintage Year Program payment of \$171,022.90 was received by PRIM on 8/1/2022. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

PRIT Confirmation Notice Dated 8/1/2022

Robert Maiocco motion to place on file the PRIT Confirmation Notice Dated 8/1/2022 notifying the Board that a Real Estate payment of \$4,000,000 was received by PRIM on 8/1/2022. Motion second by Bill Dickinson. Motion passed by all members voting in favor.

PRIT Payment Due Notice Dated 9/1/2022

Robert Maiocco motion to approve the PRIT Private Equity Vintage Year payment of \$100,437.83 due 9/1/2022. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

320

Board Review of February 2022 and May 2022 Accounting Cash Books and Cash Reconciliation Reports

The following reports have been distributed and reviewed by the Board

- General Ledger
- Cash Receipt journals
- Cash Disbursements Journals
- Bank Statements
- Treasurer-Bank Reconciliations
- Payroll Registers
- Custodian Account Records
- Investment Managers' Statements
- Transfer Requests

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

PERAC Memo #21 /2022 – Vernava II – Important Update

Patrick Ripley motion to place on file the PERAC Memo #21 /2022 – Vernava II – Important Update. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

PERAC Memo #22 /2022 – Cost of Living for Supplemental Dependent Allowance Paid to Accidental Disability Retirees and Accidental Death Survivors

Patrick Ripley motion to place on file the PERAC Memo #22 /2022 – Cost of Living for Supplemental Dependent Allowance Paid to Accidental Disability Retirees and Accidental Death Survivor. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

Received GoldenTree Compliance Approval from PERAC

The following compliance documents have been reviewed by the Board

- Vendor Contact Information
- Placement Agent Statement for Investment Managers
- Vender Certification
- Vendor Disclosures

Robert Maiocco motion to place on file PERAC's GoldenTree Compliance Approval Letter. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

GoldenTree Side Letter and Contracts Reviewed by Michael Sacco's Office

Mark Minervini informed the Board that Michael Sacco's office reviewed the contracts and side letter, the contracts can be executed. Robert Maiocco motion to GoldenTree Side Letter. Motion second by James Vieira. Motion passed by all members voting in favor.

GoldenTree Subscription Document

Mark Minervini informed the Board that he spoke with Chris Collins at Michael Sacco's office and asked about the subscription agreement. He said the agreement is standard and NEPC can assist in completing the document. GoldenTree reached out and assisted in completing the document. Mark Minervini forwarded the completed document to NEPC for review. Kiley Fischer (NEPC) said the responses look fine and she didn't see any issues with the document or information you provided.

Robert Maiocco motion to approve GoldenTree subscription document. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

2Q2022 Budget to Actual Report

Mark Minervini reviewed the budget to actual report indicating that we are currently 3% over budget with investment related fees. This is because when the budget was created last October, 7.25% return was used to forecast the fund's market value in forecasting fees. Actual annual return for 2021 was 18.11%. Mark Minervini said we are still on budget with the overall budget and can reallocate from a different account if needed.

Robert Maiocco motion to approve 2Q2022 Budget to Actual Report. Motion second by James Vieira. Motion passed by all members voting in favor.

7. Unfinished Business

Joseph Albano III - 91A Over Earnings Letter from PERAC

Mark Minervini informed the Board that Mr. Albano requests a hearing.

Rick Jordan said this case appears to be similar to the Conway case and feels we should appoint Michael Sacco as the hearing officer. James Vieira feels that Michael can be bias towards PERAC if he interprets the law differently than PERAC, and is concerned with legal fees. There was a discussion about the 91A hearing process and the implications if PERAC disagrees with the Board's decision. James Vieira is concerned with cost if this becomes a drawn-out process and wants to avoid that from happening. Mr. Vieira continued, he has no problem appointing Michael but would like him to run the hearing, and if PERAC disagrees with the Board's decision, the Board can decide how to move forward at that time. Mark Minervini informed the Board that he spoke with PERAC and asked them to review the excess earning calculation because Mr. Albano feels PERAC incorrectly used depreciation in the calculation. PERAC informed Mr. Minervini that the calculation is correct because earnings are determined from the K1 and depreciation is a method to lower taxable income, not earnings. Patrick Ripley said we have been proactive in asking PERAC to review the calculation and said he personally feels we should have legal representation. Additional discussion about the excess earnings calculation and the 91A hearing process.

Patrick Ripley motion to appoint Michael Sacco as the hearing officer for Joseph Albano's 91A excess earnings, to run the hearing. If PERAC disagrees with the Board's findings, the Board will evaluate and decide how to proceed at that time. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

Rhumblin Russell 1000 Funding

Rick Jordan said we already took care of this earlier.

Robert Maiocco motion to place on file funding the Rhumblin Russell 1000 Value fund.. Motion second by James Vieira. Motion passed by all members voting in favor.

Received Brian Cronin's Medical Panel Results

Patrick Ripley said he reviewed the medical panel results and has no problem sending this into PERAC. There was a discussion about the cancer law.

Patrick Ripley motion to approve Brian Cronin's accidental disability retirement based on the results of the medical panel. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

Medford Housing Authority employee, Bonnie Curran Reinstatement to Membership Update

Mark Minervini informed the Board that Bonnie Curran has been working full time at MHA and contributing to the retirement system. Also, that Michael Sacco has reviewed the settlement and Mrs. Curran will reinstate to active as if she never retired. The Board received a letter from Attorney John Egan dated 8/16/2022 outlining the final resolution of Mrs. Curran's back pay claim against Medford Housing Authority, Mrs. Curran will be reinstated and receive back pay from March 2017 – July 2022 and the Retirement Board will receive \$32,420.28 in retirement deductions for that time. The Board will also receive a return of entire retirement benefit payments Mrs. Curran received totaling \$58,227.50. The reinstatement to active will take place when the Board receives the benefit payments. To date, the Board has not received payment and Mrs. Curran continues to receive her retirement benefit.

James Vieira motion to place on file Medford Housing Authority employee, Bonnie Curran Reinstatement to Membership Update. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

8. New Business

Buyback – Darlene White

Current Position: Senior Clerk – Veteran's Office

Date of Membership: 11/5/14

Ms. White is buying back previous school department time as a cafeteria employee from 6/13/2003-4/13/2006 (9 months of service). Makeup Cost = \$2,198.15 and includes interest through 9/30/22. Interest is added to unpaid balance annually during the 5-year payment period.

Robert Maiocco motion to approve buyback for Darlene White as detailed above. Motion second by Bill Dickinson. Motion passed by all members voting in favor.

Buyback - Theresa Porrazzo

Current Position: Paraprofessional

Date of Membership: 9/5/2012

Ms. Porrazzo is buying back previous school department time as a lunch aide, kindergarten aide, paraprofessional and substitute from 9/16/2002-9/4/2012 (2 years, 6 months of service). Makeup Cost = \$6,176.52 and includes interest through 9/30/22. Interest is added to unpaid balance annually during the 5-year payment period.

Robert Maiocco motion to approve buyback for Theresa Porrazzo as detailed above. 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>
Robert Huckins	SCH	Custodian	7/11/2022	FT
Adolfo Lizama Benitez	SCH	Custodian	7/11/2022	FT
Mary Loden	SCH	Admin Assistant	12/3/2021	FT

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

Retirements:

<u>Name</u>	<u>Unit</u>	<u>Option</u>	<u>Retirement Date</u>
Jeanne Reading	CTY	Superannuation Option A	9/23/2022
Barbara Malyerck	CTY	Superannuation Option B	11/30/2022
Kathleen Kane	CTY	Superannuation Option C	8/31/2022

Patrick Ripley motion to approve retirements as 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 9/29/2022 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:



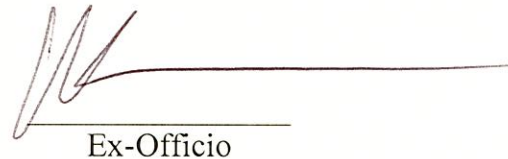
Mark Minervini

On 8-30-2022

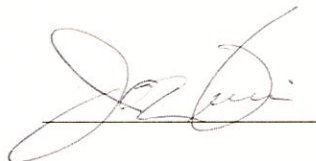
Rick Jordan


Chairman

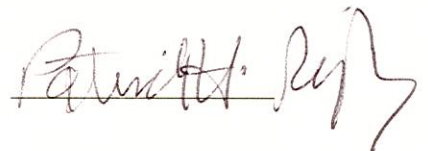
Robert Dickinson


Ex-Officio

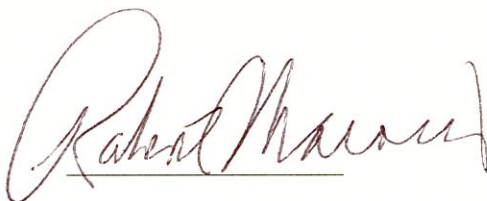
James Vieira



Patrick H. Ripley



Robert
Maiocco



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