

**MINUTES OF THE MEDFORD RETIREMENT BOARD MEETING HELD on
2-27-2024 at 9:30am in room 201 at Medford City Hall**

1. 9:30am Call meeting to order.

Board Members Present: Rick Jordan, Patrick Ripley, James Vieira, Robert Maiocco and Bob Dickinson.

Absent:

Others Present:

Mark Minervini, Executive Director

9:30am: Scott Driscoll, NEPC

9:45am: Monroe Capital - Chris Lund Managing Director & Co-Portfolio Manager, MP Hayden, Managing Director Business Development

10:15am: Sigular Guff - Jeb Banks, Managing Director, Chris Barbier, Portfolio Manager

10:45am: Kayne Anderson - Orr Shepherd, Frank Karl, Managing Partner

Patrick Ripley motion to suspend the normal order of business for NEPC, Monroe Capital, Sigular Guff and Kayne Anderson to present. Motion second by Bob Dickinson. Motion passed by all voting in favor.

Scott Driscoll briefly recapped the RFP and the firms that will be presenting.

Chris Lund Managing Director & Co-Portfolio Manager and MP Hayden, Managing Director Business Development of Monroe Capital distributed their handout and said they are presenting their fund 5. Mr. Lund indicated they are raising \$3B for the fund and targeting the lower to middle market. Mr. Lund reviewed the portfolio characteristics focusing on the size and age of companies targeted. Net IRR reviewed and discussed leveraged and unleveraged accounts. Patrick Ripley asked if it's possible that Monroe Capital could invest in a private equity firm that we already invested in? Yes, it's possible, but highly unlikely. Questions and discussion about management fees carried fees. Management fee incentive for NEPC clients aggregate \$100M, fee reduced from 1.25% to 1%, and carried interest for NEPC clients reduced from 15% to 10%. Mr. Hayden said they have additional chapter 32 clients. Additional questions and discussions. Monroe Capital left the meeting.

Mr. Driscoll recapped the Monroe Capital presentation and provided a quick outline of Sigular Guff.

Jeb Banks, Managing Director and Chris Barbier, Portfolio Manager from Sigular Guff joined the meeting and presented their fund 3 and indicated they're a Boston based firm and distributed their handout to the Board. Mr. Barbier reviewed the investment indicating that they target companies with revenue between \$5M - \$110M and companies that have been in business for an average of 40 years. Mr. Barbier explained that the firm has long relationships with private equity firms, and is familiar with the businesses they target. Discussion about the number of defaults. IRR reviewed and questions answered. Discussion about fee structure and carried interest. Management fee 1.5% but expected to be reduced to 1.25% NEPC asset base, carried interest 15%. 10:50am Sigular Guff left the meeting.

Mr. Driscoll recapped Sigular Guff's presentation.

Orr Shepherd and Frank Karl from Kayne Anderson joined the meeting and distributed their handout. Mr. Shepard reviewed the company investment committee, firm's leadership and portfolio management teams. Mr. Karl provided an executive summary of the firm and reviewed their lending approach and said that 90%+ of their business is with private equity firms and they research approximately 620 opportunities per year and on average have 20 – 30 new investments per year. Rick Jordan asked if they had past losses. Mr. Karl

answered yes, 5 losses out of the past 175 and recovered 70% of the investment. Discussion about the target deal size, strategy and management fees. Mr. Karl said that \$2B is targeted for fund 5. NEPC clients have a reduced management from 1% to .95%. Carried interest is 10%, but will be reduced to 0% if NEPC clients aggregate \$75M. Mr. Shepard said NEPC clients currently aggregate \$60M and expected to achieve \$75M, so there is a good chance the carried interest will be removed. Additional discussion about strategy, market opportunity and track record. Kayne Anderson left the meeting.

Mr. Driscoll recapped the presentations. Rick Jordan asked if anyone has any questions? James Vieira said he was leaning towards Monroe Capital, he said the presentation was very good and helped him understand the product. Robert Maiocco said he was impressed with Kayne Anderson. Rick Jordan asked Mr. Driscoll what he thought, out of the three who would NEPC recommend? Mr. Driscoll said that Monroe Capital and Kayne Anderson would be the best fit and complement our Goldentree strategy. Discussion continued about both firms, and it was agreed to eliminate Sigular Guff. Mr. Driscoll said Kayne Anderson has the lowest fee structure and will waive the carried interest. Patrick Ripley said at some point all NEPC clients will enjoy that benefit. Both Monroe and Kayne are strong but recommends Kayne Anderson because it's the best compliment with Goldentree. James Vieira said he could go with either Monroe or Kayne. Patrick Ripley said he likes Kayne Anderson because they seem "boring". Robert Maiocco agrees.

Robert Maiocco motions to hire Kayne Anderson. Motion second by Patrick Ripley. Motion passed by all voting in favor. Rick Jordan said unanimous vote, motion carries.

Mr. Driscoll said he will contact Mr. Shepard and have the PERAC compliance documents sent to Mr. Minervini.

Mr. Driscoll provided a fund update and informed the Board that the fund has a market value of \$242.2M as of 1/31/24. The fund was down .3% in January and has a 1 year return of 5.1%. Mr. Driscoll reviewed domestic and international equity performance, fixed income and private equity.

Mr. Driscoll updated the Board on the progress of the custody RFP search and said we should have results for the April Board meeting.

Mr. Driscoll left the meeting.

Bob Dickinson 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 2/7/2024
James Vieira motion to place on file the Board meeting notice and certificate that was posted on 2/7/2024. Motion second by Robert Maiocco 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 Bob Dickinson Motion passed by all voting in favor.
4. Vote to approve the minutes of the Board meeting held on 1/29/2024
Patrick Ripley motion to approve the minutes of the Board meeting held on 1/29/2024. Motion second by Bob Dickinson. Motion passed by all voting in favor.

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

Warrant S9	
Morgan Records - January 2024	\$52.22
Law Offices of Michael Sacco - January 2024	\$82.50
Mark Minervini - Go To Meeting & Vast Conference	\$45.31
MassPort Retirement System - 38c	\$4,183.79
Winchester Retirement Board - 38c	\$418.98
Plymouth County Retirement Board - 38c	\$3,365.23
Chelsea Retirement Board - 38c	\$2,982.89
Woburn Retirement Board - 38c	\$58.00
Peabody Retirement Board - 38c	\$3,102.89
Reading Retirement Board - 38c	\$4,979.00
Northbridge Retirement System - 38c	\$2,170.15
Middlesex County Retirement System - 38c	\$118,677.25
Everett Retirement Board - 38c	\$1,876.47
Richard Veneziano - Refund of excess deductions	\$324.54
IRS - A/C Veneziano	\$81.14
Roberto Garutti - Refund	\$5,451.70
IRS - A/C Garutti	\$1,362.92
Adam Knight - Refund	\$24,392.02
IRS - A/C Knight	\$6,098.00
Morgan Stanley FBO Jeremy Johns - Rollover	\$11,642.44
Mass Teacher's Retirement System - Elisabeth Schreuer 5 years and 8 months service	\$10,843.32
ProShred - January 2024	\$40.43
Ready Refresh - Water	\$25.76
Toshiba - February 2024	\$120.50
Toshiba - December - January overage	\$18.92
M&T Bank - December 2023	\$4,200.08
Loomis and Sayles - Q4 2023	\$23,663.02
Staff Salaries	\$5,239.65
Medicare	\$0.00
Massachusetts SUI	\$0.00
MA Health Ins/EMAC	\$0.00
Harpers Payroll Fee	\$0.00
Expense Total	\$235,499.12
Pension	1,681,933.13
Annuity	394,487.29
COLA	-
Retiree Payroll Total	2,076,420.42
Warrant S9 Total	\$2,311,919.54
Prior Warrants	
Schedule 6	5,512.85
Schedule 7	5,371.44
Schedule 8	7,640.59
	-
Reference Total	18,524.88
Grand Total Warrant S9 with Prior Warrants	\$2,330,444.42

A motion was made by James Vieira and second by Bob Dickinson to approve all bills, transfers, refunds, staff payrolls and retirement payroll listed above on schedules S6, S7, S8, and S9. Motion passed by all voting in favor.

6. Report of Chairman:

Letter of Direction to Lazard Advisors Dated 2/14/2024

Robert Maiocco motion to approve the Letter of Direction to Instructing Lazard to withdraw \$800,000 from the system's International Strategic Equity account on the next trade date and wire the funds to M&T Bank. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

Letter of Direction to Rhumblin Advisors Dated 2/14/2024

Robert Maiocco motion to approve the Letter of Direction to Rhumblin Advisors Dated 2/14/2024. Instructing Rhumblin to withdraw \$1,000,000 from the system's S&P 500 account 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 2/20/2024 Transferring \$1,600,000 From M&T Bank to Brookline Bank.

Robert Maiocco motion to approve the Wire Transmittal Dated 2/20/2024 Transferring \$1,600,000 From M&T Bank to Brookline Bank. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

PRIT Confirmation Notice Dated 2/1/2024

Patrick Ripley motion to place on file the PRIT Confirmation Notice Dated 2/1/2024 notifying the Board that a Private Equity Vintage Year Payment of \$132,077.26 was wired to PRIM on 2/1/2024. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

PRIT Distribution Notice Dated 3/1/2024

James Vieira motion to place on file the PRIT Private Equity Vintage Year distribution notice notifying the Board that a distribution of \$138,839.65 will be wired to M&T Bank on 3/1/2024. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

December 2023 Reconciliation and Accounting Reports Review and Approval

The following December 2023 cash books and accounting reports have been distributed and reviewed by the Board.

- Trial Balance
- General Ledger
- Cash Receipt journals
- Cash Disbursements Journals
- Adjustments
- Bank Statements
- Bank Reconciliations Reports
- Custodian Cash Account Reconciliation

James Vieira motion to approve December 2023 Reconciliation for Brookline Bank, Eastern Bank, M&T Bank and the December 2023 accounting reports as listed above. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

December 2023 Accounting Reports Submitted to PERAC

James Vieira motion to place on file that the December 2023 accounting has been submitted to PERAC. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

Budget to Actual 4Q2023

Mr. Minervini reviewed the 2023 YTD budget to actual report and informed the Board that the administration expenses were \$37K under budget and the investment related expenses were \$53K under budget for the year. Mr. Minervini

drilled into the administration fees and explained that staff salaries were 3% over budget because of retroactive payments associated with finalizing compensation plan increases, and legal expenses were 70% below budget because potential legal representation for ongoing 91A excess matters that have not been finalized in 2023.

James Vieira motion to place on file Budget to Actual 4Q2023. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

PERAC Memo #7 / 2024 – Buyback and Make-up Repayment Worksheets

James Vieira motion to place on file the PERAC Memo #7 / 2024 – Buyback and Make-up Repayment Worksheets. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

PERAC Memo #7 / 2024 – Attachments

Robert Maiocco motion to place on file PERAC Memo #7 / 2024 – Attachments. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

PERAC Memo #8 / 2024 – PROSPER COLA Submission is almost here!

Robert Maiocco motion to place on file PERAC Memo #8 / 2024 – PROSPER COLA Submission is almost here! Motion second by Patrick Ripley. Motion passed by all members voting in favor.

PERAC Memo #9 / 2024 – Actuarial Data

James Vieira motion to place on file PERAC Memo #9 / 2024 – Actuarial Data. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

Veteran Service Buyback – Wilson v. Reading Retirement Board

Mr. Minervini explained the case and informed the Board that we have a veteran who received notification to purchase veteran service, prior to being vested, and declined to purchase the service at that time. Our member's situation is very similar to this case and DALA ruled that the veteran should have a second chance to purchase the service when vested.

Robert Maiocco motion to place on file Veteran Service Buyback – Wilson v. Reading Retirement Board. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

Letter From Michael Sacco to PERAC – Request for Reconsideration Regarding Military Service Purchase

Mr. Minervini explained that our member Mark Shea (described above) is in the same situation as Wilson v. Reading Retirement Board. Michael Sacco said that since DALA ruled in favor of the member in the Wilson case, he drafted a letter to PERAC asking them to reconsider allowing our member to purchase military service. Patrick Ripley asked if we heard back from PERAC yet? Mr. Minervini said not at this time.

Robert Maiocco motion to place on file Letter From Michael Sacco to PERAC – Request for Reconsideration Regarding Military Service Purchase. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

Michael Sacco Memo – Staff Announcement

James Vieira motion to place on file Michael Sacco Memo – Staff Announcement. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

FY25 COLA Board Vote Submitted to PERAC in PROSPER

Robert Maiocco motion to place on file that the FY25 COLA Board Vote Submitted to PERAC in PROSPER. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

FY25 COLA Letter to City Council and Mayor Breanna Lungo-Koehn

James Vieira motion to place on file the FY25 COLA Letter to City Council and Mayor Breanna Lungo-Koehn. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

Email from John Boorack Authorizing \$45M Transfer from the Pension Reserve Fund to the Pension Fund

Mr. Minervini explained the reason for the transfer is because the pension fund became negative after processing accounting closing entries. Mr. Minervini spoke with PERAC and they said a negative fund account on the annual statement is not ideal. John Boorack authorized a \$45M transfer from the pension reserve fund to the pension fund, this entry should keep the account positive for the foreseeable future. Mr. Minervini explained that the transfer is an accounting entry and does not impact the fund's assets.

James Vieira motion to place on file the Email from John Boorack Authorizing \$45M Transfer from the Pension Reserve Fund to the Pension Fund. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

1/1/2024 Preliminary Actuarial Valuation Results

The Board reviewed and discussed the preliminary actuarial results and asked Mr. Minervini to contact Dan Sherman and invite him to the March Board meeting to review the results.

Robert Maiocco motion to table the 1/1/2024 Preliminary Actuarial Valuation Results on file. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

PERAC Approved Lawrence Crowley's Accidental Disability Retirement Transmittal

James Vieira motion to place PERAC approval of Lawrence Crowley's Accidental Disability Transmittal. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

7. Unfinished Business

Sheila Quinn's Buyback

Mr. Minervini informed the Board that he spoke with Gerry McCue from the school's finance office and he will review the information we requested and get it back to me this week.

Bob Dickinson motion to place on file Sheila Quinn's Buyback. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

Email from Michael Sacco - Joseph Albano v. Medford Retirement Board and PERAC

Mr. Minervini informed the Board that Mr. Albano argues that the Board should not withhold his ex-spouse's benefit, instead apply his full benefit towards his 91A overearning repayment. As a result, Mr. Albano is attempting to attach Medford to the case. Michael Sacco said this is a legal matter and we have an opinion from PERAC to pay his ex-spouse in accordance with the DRO. As for any litigation involving Medford's participation, Michael Sacco suggests that Mr. Albano and PERAC draft a memo to the Medford Board, and we can determine if it's necessary that Medford respond. Currently we are still waiting for a memo from PERAC and Mr. Albano.

Bob Dickinson motion to place on file the Email from Michael Sacco - Joseph Albano v. Medford Retirement Board and PERAC. Motion second by James Vieira. Motion passed by all members voting in favor.

Sherman Actuarial Services Contract Extension

Mr. Minervini informed the Board that Michael Sacco reviewed the contract and added cyber security language. The contract extension extends the contract 2 years, through 1/1/2026 actuarial valuation.

James Vieira motion to approve Sherman Actuarial Services contract 2-year extension. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

8. New Business

Jean Diskin Buyback

School Secretary

Date of Membership: 2/4/2016

Ms. Diskin is making up previous service time from 12/3/2015-2/3/2016 (2 months of service). Makeup Cost = \$479.04 and includes half actuarial interest through 2/29/24. Interest is added to unpaid balance annually during the 5-year payment period.

Robert Maiocco motion to approve Jean Diskin Buyback listed above. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

New Employees:

Name	Unit	Position	Hire Date	FT/PT
James McIntyre	SCH	Custodian	12/5/2023	Full Time
Ivan Correa	SCH	Custodian	1/2/2024	Full Time
Adriana Roscigno	SCH	Admin Assit	12/18/2023	Full Time
Zerihun Ayele	CTY	Sanitarian	1/8/2024	Full Time
Salvatore Di Stefano	CTY	Director Economic Development	1/15/2024	Full Time
Jeanine Feeley	CTY	Clerk DPW	1/22/2024	Full Time
Kelly Yin	MHA	Director of Finance	1/15/2024	Full Time
Robert Cordeiro	SCH	Junior Custodian	12/4/2023	Full Time
Michael Powell	CTY	Student Police Officer	1/7/2024	Full Time
Matthew Leming	CTY	City Councilor	1/2/2024	Full Time
Derek Jones	MHA	Tax Credit Manager	1/29/2024	Full Time
Margaret Barrett	SCH	Library Assistant	1/2/2024	Full Time
Anna Callahan	CTY	City Councilor	1/2/2024	Full Time
Scott Vandewalle	CTY	Building Commissioner	2/5/2024	Full Time
Michael Amoroso	CTY	DPW Repairperson	2/12/2024	Full Time

James Vieira motion to approve membership for the employees listed above. Derek Jones approval is subject to the approval of the “Tax Credit Manager” position. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

Retirements:

Name	Unit	Option	Retirement Date
John Freedman	CTY	Superannuation Option C	2/21/2024

Patrick Ripley motion to approve retirements listed above. Motion second by Bob Dickinson. Motion passed by all members voting in voting in favor.

Mr. Minervini informed the Board that we did not receive an application for fiduciary insurance. Mr. Minervini contacted Kathleen at MACRS and she said to send the application to her, and she will take care of it for us. The application was emailed to Kathleen on 2/15/24.

9. Executive Session

N/A

10. Adjournment

Next meeting scheduled for Wednesday March 27, 2024 at 9:30am in City Hall Room 201.

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

A true Record
by:

On 2-27-2024

Mark Minervini

Rick Jordan

Chairman

Robert Dickinson

Ex-Officio

James Vieira

Patrick H. Ripley

Robert
Maiocco
