

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

- 1. 9:30am Call meeting to order.
Board Members Present: Patrick Ripley, James Vieira, Bob Dickinson, and Robert Maiocco
Absent: Rick Jordan.
Others Present: Mark Minervini, Executive Director
9:30am:
Scott Driscoll, NEPC
Brendan McDonough, GoldenTree
- 2. Reading of notice & certificate – Meeting Notice Posted on 9/12/2024
Robert Maiocco motion to place on file the Board meeting notice and certificate that was posted on 9/12/2024. 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 8/28/2024
James Vieira motion to approve the minutes of the Board meeting held on 8/28/2024. Motion second by Robert Maiocco. Motion passed by all voting in favor.

Vote to approve the minutes of the Executive Session Board meeting held on 8/28/2024
James Vieira motion to approve the minutes of the Executive Session Board meeting held on 8/28/2024. Motion second by Robert Maiocco. Motion passed by all voting in favor.

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

Warrant S40	
Morgan Records - August 2024	52.22
Law Offices of Michael Sacco - August 2024	495.00
Mark Minervini - Vast Conference	26.28
Winchester Retirement Board - Trailing deductions Dan Stoneking	199.83
Arlington Retirement Board - Transfer Maureen Franzosa 9 months service	4,613.45
Malden Retirement Board - Transfer Duypaul Nguyen 6 years 5 months service	58,043.29
MTRS - Transfer Jillian Chernoble 2 years 4 months service	5,489.15
MTRS - Transfer Olivia Pereira 20 days service	504.67
Brockton Retirement Board - Transfer William Forte trailing deductions for retro pay	544.11
Tawana DeBraux - Refund	34,072.66
IRS - A/C DeBraux	8,518.16
Janet Ann Connors - Refund of excess deductions	310.97
IRS - A/C Connors	77.74
Mark Diskin - Refund of excess deductions	43.88
IRS - A/C Diskin	10.97
Jessica Gantz - Refund of excess deductions	83.75
IRS - A/C Gantz	20.94
Anthony Kodis - Refund of excess deductions	1,128.66
IRS - A/C Kodis	282.17
Kevin Krupcheck - Refund of excess deductions	200.81

IRS - A/C Krupcheck	50.20
Kyle Myrtil - Refund of excess deductions	473.44
IRS - A/C Myrtil	118.36
Cameron Quinlan - Refund of excess deductions	353.48
IRS - A/C Quinlan	88.37
David Rourke - Refund of excess deductions	681.34
IRS - A/C Rourke	170.33
Tiffani Russell - Refund of excess deductions	205.72
IRS - A/C Russell	51.43
Roud Sylvert - Refund of excess deductions	119.00
IRS - A/C Sylvert	29.75
PBI - Annual fee	2,000.00
Kingsbury Press - Pressure forms	315.00
Toshiba - September - October 2024	268.71
ProShred - August 2024	44.47
Ready Refresh - Water	37.14
M&T - July 2024	4,512.21
NEPC - 2024 Q3	21,250.00
-	-
-	-
Staff Salaries	5,406.35
Medicare	-
Massachusetts SUI	-
MA Health Ins/EMAC	-
Harpers Payroll Fee	-
Expense Total	150,894.01
Pension	1,702,007.52
Annuity	407,335.44
COLA	23,591.58
Retiree Payroll Total	2,132,934.54
Warrant S40 Total	2,283,828.55
Prior Warrants	
Schedule 36	5,530.88
Schedule 37	5,530.88
Schedule 38	7,799.76
Schedule 39	5,530.88
Reference Total	24,392.40
Grand Total Warrant S40 with Prior Warrants	2,308,220.95

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 S36, S37, S38, S39 and S40. Motion passed by all voting in favor.

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

Brendan McDonough from GoldenTree distributed his handout and thanked the Board. Mr. McDonough provided an update on the firm and informed the Board that John Sack, Product Specialist will also be joining the meeting via conference

call. Mr. McDonough said the firm has 25 partners and is 100% employee owned and the leadership has not changed in 17 years. The distressed team was reviewed along with the firm’s organization chart. Mr. Driscoll asked if GoldenTree has any connections with Stuart Health? McDonough replied no, no ties with Stuart Health. Mr. Sacks provided a market update on the Distressed Fund IV and discussed growth and yield spreads across all assets and said the loan market is growing in size. Mr. Sacks discussed the recent federal reserve rate drop and the affects on the fund. Mr. Sacks discussed liability management, balance sheet management, and loans vs high yield bonds. Net IRR, returns. ITD multiple and gross capital call were discussed. Robert Maiocco asked how many companies failed recently? Mr. McDonough answered, none in the distressed fund IV and historically very few. Discussion about return of initial investment over a 7-to-8-year period. Mr. Sacks reviewed Endo Pharmaceuticals as an example. 10:15 GoldenTree left the meeting.

Scott Driscoll distributed the NEPC handout and provided a market update to the Board. Mr. Driscoll reviewed the emerging markets index and small cap index returns for August, YTD, prior year and prior 5 years and the fund performance net of fees. The fund balance as of 8/31/2024 is \$269M and had prior month return of 1.5%, YTD return of 8.5% and prior 5-year return of 7.9%. The fund performance for the following strategies were reviewed: domestic equity, international equity, emerging markets, fixed income, private equity, real estate and hedge funds.

Mr. Driscoll informed the Board that we need to pursue an emerging equity search, City of London’s contract has come up on 7 years and we need to perform a search to be in compliant with PERAC.

Robert Maiocco motion to pursue an emerging equity manager search. Motion second by James Vieira. Motion passed by all voting in favor.

Mr. Driscoll reviewed the results of the core fixed income manager search and said 6 managers met the criteria and we will be investing approx. \$26M, we are looking for companies that complement the Loomis fixed income strategy.

The following managers met the criteria:

Firm Name	Location	Year Firm Founded	Total Assets Under Mgmt (\$MM)	% Employee Owned	% Parent Owned	Parent Company Name	% Publicly Held	% Other Ownership
Core Fixed Income								
Income Research & Management	Boston, Massachusetts	1987	102,180	90	0	NA	0	10
Lord, Abbett & Co. LLC	Jersey City, New Jersey	1929	201,910	100	0	NA	0	0
National Investment Services, Inc	Milwaukee, Wisconsin	1993	11,569	25	75	Resolute Investment Managers	0	0
Neuberger Berman Investment Advisers LLC	New York, New York	1939	481,478	0	100	NBSH Acquisition, LLC	0	0
PPM America, Inc.	Chicago, Illinois	1990	69,869	0	100	Jackson Financial Inc.	0	0
Wellington Management Company LLP	Boston, Massachusetts	1928	1,251,052	100	0	NA	0	0

Each manager was discussed in detail including size and performance. The 5 year risk/return of each manager was analyzed. Income Research and Management (IRM) had the lowest risk with the highest return as did National Investment Services (NIS). Wellington core bond had the highest return and is the most volatile. The management fees were discussed and compared.

Firm/Product	Vehicle Proposed	Liquidity In	Liquidity Out	Standard Reported Fee (bps)	NEPC Negotiated Fee (bps)	Search Specific Proposed Fee (bps)	Universe Median Fee (bps)
Core Fixed Income							
IRM - Aggregate	Commingled Fund	Daily	Daily	35	15	NA	30
Lord Abbett - Core	Commingled Fund Mutual Fund	Daily Daily	Daily Daily	19 30	NA NA	NA NA	30 45
Neuberger Berman - Core	Commingled Fund Mutual Fund	Daily Daily	Daily Daily	15 28	NA NA	NA NA	30 45
NIS - Core	Commingled Fund	Monthly	Monthly	25	NA	20	30
PPM America - Core Fixed Income	Commingled Fund	Daily	Daily	23	NA	18	30
Wellington - Core Bond	Commingled Fund	Daily	Daily	25	NA	15	30

Mr. Driscoll said the strongest managers that compliment Loomis are IRM and NIS. James Vieira asked about PPM America. Mr. Driscoll said they have a small asset level. Discussion about PPM and Lord Abbott. Mr. Ripley asked about the difference between Lord Abbott and the other managers? Mr. Driscoll said they are not as good a fit as IRM and NIS. Additional discussion about IRM, Lord Abbott and NIS. Patrick Ripley asked if we should bring all three in for a presentation next month. Additional discussion about the managers.

Robert Maiocco motion to invite Income Research and Management, NIS and Lord Abbott to the October Board meeting and present their products. Motion second by Bob Dickinson. Motion passed by all voting in favor.

Mr. Driscoll explained NEPC’s settlement with the SEC. He explained that NEPC manages assets on behalf of clients, which is different than the services provided to Medford, NEPC provides advisory services to Medford. He said that the 13F filings were not filed on time and NEPC since hired a firm for filings. NEPC did get fined, but the clients were not impacted. 11:15 Scott Driscoll left the meeting.

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

6. Report of Chairman:

Wire Transmittal Letter Dated 9/18/2024 Transferring \$1,800,000 From M&T Bank to Brookline Bank.

This wire transfer was completed on 9/18/2024 by Mark Minervini to fund September 2024 expenses and pension payroll. James Vieira motion to approve the Wire Transmittal Letter Dated 8/20/2024 Transferring \$1,800,000 From M&T Bank to Brookline Bank. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

PRIT Confirmation Notice Dated 9/3/2024

James Vieira motion to place on file the PRIT Confirmation Notice Dated 9/3/2024 notifying the Board that a Private Equity Vintage Year Distribution of \$127,461.96 has been wired to M&T Bank on 9/3/2024. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

PRIT Distribution Notice Dated 10/1/2024

Bob Dickinson motions to place on file the PRIT Distribution Notice Dated 10/1/2024 Private Equity Vintage Year distribution notice notifying the Board that a distribution of \$85,341.97 will be wired to M&T Bank on 10/1/2024. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

PERAC Memo #24/2024 – Tobacco Company List

James Vieira motion to place on file PERAC Memo #24/2024 – Tobacco Company List. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

July and August 2024 Reconciliation and Accounting Reports Review and Approval

The following July and August 2024 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

Bob Dickinson motion to approve the above July 2024 and August 2024 bank reconciliation reports for Brookline Bank, Eastern Bank, M&T Bank, and the accounting reports. Motion second by James Vieira. Motion passed by all members voting in favor.

July Accounting Reports Submitted to PERAC

James Vieira motion to place on file the July 2024 Accounting Reports have been Submitted to PERAC. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

PTG Software Issues and Excessive Downtime

Mr. Minervini informed the Board that we have been having issues with PTG.

- The software has been unavailable multiple times over the past few months during office hours
- Software modifications have been applied that unknowingly changed data values
- The system been experiencing performance issues.

Mr. Minervini informed the Board that the software has been unavailable during business hours due to system maintenance to correct performance issues. PTG's service level agreement states that maintenance will be performed between 12am – 6am weekdays and over the weekend. The software has been unavailable more frequently over the past few months during business hours. For example, on Tuesday September 17, PTG called around 11am instructing everyone to logout of the system because they are not sure which database we are connected to – the system was down for over an hour and then again at 2:00 for the remainder of the day. One software update affected the federal tax logic and unknowingly changed federal tax withholding on a random number of retirees. Staff had to manually review all retiree records to determine which record changed, this took a significant amount of time. Mr. Minervini contacted Chris Lodge and requested that he come in for a meeting to explain the reasons for the ongoing issues and the steps they are taking to prevent them in the future. During the meeting Mr. Lodge explained that PTG hired additional developers and began load balancing the databases to improve performance. When questioned if PTG is now owned by a private equity firm, Mr. Lodge said they have two wealthy investors. Bob Maiocco said he was in the meeting and informed PTG that they are on notice. Patick Ripley asked Mr. Minervini to keep the Board informed.

James Vieira motion to place on file PTG Software Issues and Excessive Downtime. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

Email from NEPC Regarding SEC Penalty

Mr. Driscoll reviewed this item earlier during his presentation.

Bob Dickinson motion to place on file the Email from NEPC Regarding SEC Penalty. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

FY26 Appropriation Budget Review

Mr. Minervini reviewed the budget and answered questions.
Robert Maiocco motion to approve the FY26 Appropriation Budget. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

7. Unfinished Business

8. New Business

New Employees:

Name	Unit	Position	Hire Date	FT/PT
James Williams	CTY	Tree Climber	8/12/2024	Full Time
Patrick Etienne	CTY	Parking Control Specialist	9/3/2024	Full Time
Thu Huong Nguyen	CTY	Human Resources Admin	9/3/2024	Full Time
Joshua Hunter	CTY	Sanitarian	9/16/2024	Full Time
Elisabeth Basile	SCH	Paraprofessional	8/26/2024	Full Time
Deborah Hoehner	SCH	Paraprofessional	8/27/2024	Full Time
Seema Sood	SCH	Paraprofessional	8/26/2024	Full Time
Annamae Aurilio	SCH	Instructional support staff	8/26/2024	Full Time

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

9. Executive Session

10. Adjournment

Next meeting scheduled for Thursday October 31, 2024 in City Hall Room 207.

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

On 9-30-2024

A true Record
by: Mark Minervini

Rick Jordan Absent
Chairman

Robert Dickinson Ex-Officio

James Vieira [Signature]

Patrick H. Ripley Patrick H. Ripley

Robert Maiocco [Signature]