

MINUTES OF THE MEDFORD RETIREMENT BOARD MEETING HELD on 10-31-2024 at 9:30am in room 201 at Medford City Hall

1. 9:30am Call meeting to order.

Board Members Present: Rick Jordan, Patrick Ripley, Bob Dickinson, and Robert Maiocco, James Vieira (conference call)

Absent: None

Others Present:

Mark Minervini, Executive Director

9:30am: Scott Driscoll, NEPC

10:00am: National Investment Services (NIS)

10:30am: Lord Abbott

11:00am: Income Research and Management (IRM)

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

Scott Driscoll discussed the NEPC and Hightower Advisors partnership. Rick Jordan asked if Doug Moseley will be joining us? Mr. Driscoll said that Mr. Moseley is traveling back from NCPERS and will not be joining us today. Mr. Driscoll started by explaining that the partnership will take effect early January 2025 and Hightower will own 80% of NEPC. He explained that Hightower is a holding company working with private wealth, and resources will be shared between NEPC and Hightower. Mr. Driscoll addressed NEPC jobs and benefits and said that retention bonuses have been offered to retain NEPC employees. Mr. Maiocco asked where's Hightower located? Mr. Driscoll said they are based out of Chicago. Mr. Driscoll said that Hightower is owned by TH Lee private equity firm but Hightower is a separate entity and not part of a fund that would be sold off. Mr. Driscoll said that they will operate independently, and our contract terms will not change, services and fees will remain the same. Discussion about the consent letter. Mr. Minervini informed the Board that Michael Sacco reviewed the consent form and said it's ok to sign and he also contacted PERAC asking if Hightower would need to be approved as an investment advisor, PERAC is ok the way it is. Patrick Ripley asked questions concerning private equity and will Hightower be removing employees overtime, like most private equity firms? Mr. Driscoll said no anticipated layoffs or cuts. Discussion about the consent form. Rick Jordan suggested we have a vote and then Mark and I can sign the consent form.

Patrick Ripley said because this is an SEC required document, and it was reviewed by our attorney I motion to approve the that the Chairman and Director sign the consent document. Motion second by Robert Maiocco. Motion passed by all voting in favor.

Rick Jordan asked if anyone has any additional questions? Mr. Maiocco asked if we have to appropriate money to Hightower? Scot Driscoll said no. None of the Board's money will be invested in Hightower funds.

Rick Jordan said if no more questions we can invite NIS in for their presentation.

Mark Anderon and Mark Steen from National Investment Services (NIS) joined the meeting and distributed their handout and thanked everyone. Mr. Steen provided a firm overview indicating they have \$12.5B under management with 37 employees, and the bulk of the employees are equity owners. The goal is to provide a consistent rate of return for our clients while outperforming the benchmark. Mr. Steen explained that "we are not home run hitters, we are singles and doubles". Mr. Anderson reviewed the firm's teams including the investment team for the core strategy, asset back securities team, investment grade corporate bonds team, high yield team, and the client services team. Mr. Anderson explained

the firm's investment philosophy informing the Board that all they do is manage fixed income assets and that active management adds value. They believe that different sector weighting and the best bonds for the risk profiles. Discussion about portfolio positioning and interest rates. Their bond selection and sector selection process were reviewed. Portfolio statistics, sector distribution, quality distribution and duration were reviewed. Management fees were reviewed and informed the Board that the fee is 23bps cap or "all in". Additional discussion about performance compared to index managers. Rick Jordan asked any questions? Mr. Maiocco asked if they invest all in the US? Mr. Anderson answered mostly, about 5% outside of the US, we stay close to home. 10:30 NIS left the meeting. Scott Driscoll re-capped the presentation. Rick Jordan asked if NIS is an NEPC preferred manager? Mr. Driscoll said yes, they have more union clients and do not have any MA public funds. It's a conservative strategy and long term they are within 30bps of the index. It's a good strategy.

10:40 Kewjin Yuoh and Jack Reilly from Lord Abbott joined the meeting and distributed their handout. Jack Reilly provided an overview of the firm informing the Board that they are an active manager, familiar with PERAC requirements, a member of MACRS and work with nearly 10 Massachusetts public pension funds. Mr. Reilly stated that they manage \$214B in assets, with \$178B in fixed income, and they have been around for over 100 years and said we are not trying to hit home runs, just singles and doubles. Mr. Yuoh reviewed the core fixed income strategy discussing their objective and how they invest. Mr. Yuoh focused on consistency and reviewed historical results and discussed performance over a 5-year rolling period. Volatility and performance relative to peers was reviewed. Mr. Yuoh reviewed the multi sector investment team and process highlighting team collaboration and resources. Client services was reviewed. Rick Jordan asked if anyone has any questions? Robert Maiocco asked what are the fees? Mr. Reilly said 21bps "all in". Rick Jordan asked how many Mass clients do you have? Mr. Reilly said 9 and we work with PRIM. Mr. Driscoll asked if all 9 are in fixed income? Mr. Reilly said no, Plymouth County and MWRA are in the core fixed income strategy. Mr. Maiocco asked do you have a trading desk? Mr. Yuoh answered yes, in Jersey City. Rick Jordan asked if anyone has anymore questions? 11:15 Lord Abbott left the meeting. Scott Driscoll recapped the presentation and said they are a little more active in their portfolio and the fees are 21bps relative to NIS is 23bps. The cost of core income has come down, Garcia Hamilton is currently 25bps. It's a good strategy, NIS is a better performer when the market is down.

11:30 Mike Sheldon and Sarah Spencer from IR&M joined the meeting and distributed their handout presenting their IR&M Core Bond Fund II strategy. Ms. Spencer reviewed the firm and said they have over 200 employees in Massachusetts, they are local. They work with 11 Mass public plans. \$108B under management and they are privately owned with 73 employee shareholders. All they do is fixed income. Mr. Sheldon reviewed the investment team focusing on consistency, 60+ person investment team and years experience. Investment committee reviewed along with their process and philosophy. All they do is US dollar dominated bonds, not investing in complicated structure, building portfolios from the bottom up. Discussion about sector management and issue selection by working closely with the risk management team. Risk control reviewed. Examples of companies they like, names that we all know. Yield discussed and compared to the benchmark. The Strategy allocation and characteristic was reviewed focusing on sector distribution as compared to the Bloomberg Aggregate index. Ms. Spencer reviewed performance and said that 17 out of the past 20 years the strategy outperformed the index. Client services were reviewed, and fees were reviewed, 21bps. Robert Maiocco asked how do you make your decision on purchasing? Mr. Sheldon answered by reviewing their process, not relying on the curve, focusing on high quality bonds. Additional discussion about process using examples. 12:00 IR+M left the meeting.

Rick Jordan said he wasn't here last month for the initial discussion, who fits best for us? Scott Driscoll recapped the presentations comparing each strategy and how they would complement the Loomis strategy. IR&M has many relationships in Massachusetts. NIS may be a better compliment to Loomis, although they do not have any relationships in Massachusetts. Performance, net of fees, were reviewed and compared for each manager in detail. Mr. Driscoll reviewed the up capture and down capture for each manager for the past 3 and 5 years. Risk return analysis for the three managers was reviewed focus on 7-year risk/return analysis which is a better reflection of what we have seen in up and down markets, NIS has more volatility than IR&M. IR&M and NIS are more complementary towards the Loomis portfolio. Patrick Ripley said he has no problem with NIS. Bob Dickinson said NIS doesn't have any Massachusetts clients. Discussion about size of firms and resources. Mr. Driscoll said the NIS is historically have been in the union space. Rick Jordan said we have a decision to make. Robert Maiocco said he like IR&M, they have clients here and they are right down the street, they impressed me. Patrick Ripley said he felt that NIS was more in tuned in the way we do things. Bob Dickenson said he doesn't know how important it is to be local. Scott Driscoll said that IR&M said that risk adjustment, in the long-term IR&M information ratio is more favorable. Mr. Driscoll explained how the information ratio information is used. Discussion about fees, Mr. Driscoll said IR&M fee is 21bps, Lord Abbott is 21bps and NIS is 23bps. Rick Jordan said we need to make a decision. Robert Maiocco said he likes IR&M. Jim Vieira said he was more impressed with IR&M.

Robert Maiocco motions to hire IR&M Fixed Income Manager. Motion second by James Vieira. Motion passed by all voting in favor.

Rick Jordan said Motion carries.

Scott Driscoll provided fund performance net of fees as of 9/30/24 and informed the Board that the fund's market value is \$270M, YTD up 9.6% and 17.1% trailing one year, but more normalized percentages back 7 years, the fund is up 7.1%. Recent returns driven by the public equity markets, total equity portion is up 15.2% YTD and 27.6% trailing one year. Mr. Driscoll informed the Board that the emerging markets equity manager search results will be available next month, City of London is at its 7-year procurement requirement. Mr. Driscoll reviewed City of London's performance. Mr. Driscoll reviewed the fixed income portfolio performance, private equity, hedge funds, private debt and real estate.

Discussion about scheduling PRIM for a manager review, Mr. Driscoll said PRIM is available November 26th. Next Board meeting date is scheduled for November 26, 2024.

Mr. Driscoll said he will get the PERAC procurement forms and email Mark Minervini.

Mr. Driscoll left the meeting.

Robert Maiocco 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 10/7/2024
 Bob Dickinson motion to place on file the Board meeting notice and certificate that was posted on 10/7/2024. 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 9/30/2024
Bob Dickinson motion to approve the minutes of the Board meeting held on 9/30/2024. Motion second by Robert Maiocco. Motion passed by all voting in favor.

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

Warrant S44	
Morgan Records - September 2024	52.22
Law Offices of Michael Sacco - September 2024	82.50
Mark Minervini Reimbursement - Vast Conference	26.44
Essex Regional Retirement System - Transfer Megan Peura 8 months service	1,273.71
Melrose Retirement Board - Transfer Adriana Roscigno 6 months service	3,111.01
Susanne Higgins - Refund 2 years 9 months of service	3,292.41
IRS - A/C Higgins	823.10
Sylvia DiPlacido - Refund of excess deductions	26.60
IRS - A/C DiPlacido	6.65
CivicPlus - Web Hosting	2,749.53
Toshiba - October-November 2024	277.96
ProShred - October 2024	44.47
Ready Refresh - Water	31.45
Kingsbury Press - 1500 2024 1099s	367.25
WB Mason - Office Supplies	248.68
WB Mason - Office Supplies	26.26
M&T - August 2024	4,544.57
Loomis / Sayles - 2024 Q3	26,127.95
Garcia Hamilton - 2024 Q3	16,341.10
Rhumline - SP500MAP	2,939.00
Rhumline - SP400P	702.00
Rhumline - RU1000VP	1,681.00
Staff Salaries	5,406.35
Medicare	71.94
Massachusetts SUI	5.41
MA Health Ins/EMAC	-
Harpers Payroll Fee	47.18
Expense Total	70,306.74
Pension	1,691,568.04
Annuity	403,410.35
COLA	23,540.86
Retiree Payroll Total	2,118,519.25
Warrant S44 Total	2,188,825.99
Prior Warrants	
Schedule 41	5,699.88
Schedule 42	5,530.88
Schedule 43	7,804.18

Reference Total	19,034.94
Grand Total Warrant S44 with Prior Warrants	2,207,860.93

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 S41, S42, S43 and S44. Motion passed by all voting in favor.

6. Report of Chairman:

NEPC and Hightower Announcement Email

Announcing NEPC and Hightower partnership
Robert Maiocco motion to place on file the NEPC and Hightower Announcement Email. Motion second by James Vieira Motion passed by all voting in favor.

NEPC_Hightower - Consent Letter 2024

Patrick Ripley motion to approve the NEPC and Hightower - Consent Letter 2024 and have chair and Director sign the consent. Motion second by Robert Maiocco Motion passed by all voting in favor.

Letter of Direction to Rhumblin Dated 10/10/2024.

Robert Maiocco motion to place on file the Letter of Direction to Rhumblin Dated 10/10/2024 instructing Rhumblin to withdraw \$750,000 from the system's S&P 500 Pooled Index account on the next trade date and wire the funds to M&T Bank. Motion second by Bob Dickinson Motion passed by all voting in favor.

Letter of Direction to Rhumblin Dated 10/11/2024.

Robert Maiocco motion to place on file the Letter of Direction to Rhumblin Dated 10/11/2024 instructing Rhumblin to withdraw \$500,000 from the system's R1000 Value Index account on the next trade date and wire the funds to M&T Bank. Motion second by Bob Dickinson Motion passed by all voting in favor.

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

This wire transfer was completed on 10/18/2024 by Mark Minervini to fund October 2024 expenses and pension payroll.
Robert Maiocco motion to approve the Wire Transmittal Letter Dated 10/18/2024 Transferring \$1,800,000 From M&T Bank to Brookline Bank. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

GoldenTree Notice of Capital Distribution

Patrick Ripley motion to place on file the GoldenTree Notice of Capital Distribution notifying the Board that a distribution of \$245,600 will be wired to M&T Bank on October 11, 2024. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

Kayne Anderson Capital Call Letter

Robert Maiocco motion to place on file the Kayne Anderson Capital Call Letter Notifying the Board that a capital call of \$500,000 is due by wire on October 21, 2024. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

Email to Anthony Teberio at M&T Bank

Robert Maiocco motion to place on file the Email to Anthony Teberio from M&T Bank approving \$500,000 payment to Kayne Anderson. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

PRIT Distribution Notice Dated 11/1/2024

Bob Dickinson motions to place on file the PRIT Distribution Notice Dated 11/1/2024 informing the Board that a PRIT Private Equity Vintage Year distribution of \$94,558.03 will be wired to M&T Bank on 11/1/2024. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

PRIT Confirmation Notice Dated 10/1/2024

Patrick Ripley motion to place on file the PRIT Confirmation Notice Dated 10/1/2024 notifying the Board that a Private Equity Vintage Year Distribution of \$85,341.97 has been wired to M&T Bank on 10/1/2024. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

PERAC Memo #26/2024 – The Application of the Anti-Spiking Provision G.L c. 32, § 5(2)(a) in the wake of the Hartnett Decision

Patrick Ripley motion to place on file the PERAC Memo #26/2024 – The Application of the Anti-Spiking Provision G.L c. 32, § 5(2)(a) in the wake of the Hartnett Decision. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

PERAC Memo #27/2024 – Changes to Return to Service under G.L. c. 32, § 8

Patrick Ripley motion to place on file the PERAC Memo #27/2024 – Changes to Return to Service under G.L. c. 32, § 8. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

PERAC Memo #28/2024 – Violent Assault Disability: Chapter 149 of the Acts of 2024

Bob Dickinson motions to place on file the PERAC Memo #28/2024 – Violent Assault Disability: Chapter 149 of the Acts of 2024. Motion second by Patrick Ripley. Motion passed by all members voting in favor.

August Accounting Reports Submitted to PERAC

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

September 2024 Reconciliation and Accounting Reports Review and Approval

The following September 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

Mr. Minervini reviewed the reconciliation reports and answered questions.

Bob Dickinson motion to approve September 2024 Reconciliation for Brookline Bank and September 2024 accounting reports. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

Patrick Ripley motion to approve September 2024 Reconciliation for Eastern Bank. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

Patrick Ripley motion to approve September 2024 Reconciliation for M&T Bank. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

September Accounting Reports Submitted to PERAC

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

Budget to Actual Report as of 3rd Quarter

Robert Maiocco motion to approve the Budget to Actual Report as of 3rd Quarter 2024. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

PERAC Approval of Funding Schedule Effective FY25

Mr. Minervini said the revised schedule assumes payments are made July 1 each fiscal year.

Patrick Ripley motion to place on file the PERAC Approval of FY25 Funding Schedule. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

PTG Security Incident Notification

Notifying the Board of a security incident with Rackspace

Bob Dickinson motion to place on file the PTG Security Incident Notification notifying the Board of a security incident with Rackspace. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

Michael Longmore - Order to Show Good Cause

Bob Dickinson motion to place on file the PTG Security Incident Notification notifying the Board of a security incident with Rackspace. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

2024 Annual Survey of Public Pension has been Submitted

Bob Dickinson motion to place on file that the 2024 Annual Survey of Public Pension has been Submitted. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

MACRS Fall Conference December 8th – 11th

Rick Jordan said to let Mark know if anyone would like to attend the conference.

Patrick Ripley motion to place on file MACRS Fall Conference is December 8th – 11th. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

7. Unfinished Business

8. New Business

Josephine Poli Service Makeup

Ms. Poli is a School Administrative Assistant and would like to makeup previous service time from 1/3/2013 - 5/4/2015 from when she was an hourly paid, long-term substitute. Her date of Membership is 5/4/2015. The makeup Cost is \$1,419.97 and the service amount is 7 months. The cost includes half actuarial interest through 10/31/24. Interest is added to unpaid balance annually during the 5-year payment period.

Patrick Ripley motion to approve Josephine Poli Service Makeup as outlined above. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

Retta Smith Service Makeup

Ms. Smith is Director of Food Services for the school system and would like to purchase service time from 3/31/2015 – 7/31/2016 and 8/2/2016 – 4/10/2019. Total of 1 year and 10 months creditable service and a total cost of \$11,519.03. Interest is calculated through 10/31/2024. Additional interest will be added to the unpaid balance annually during the 5-year payment period.

The service breakdown as follows:

3/31/2015 – 7/31/2016 (Nutrition Specialist) the cost is \$2,584.02 (half actuarial interest), 5 months of creditable service.

8/1/2016 – 4/10/2019 (Nutrition Specialist) the cost is \$8,935.01 (corrections of error interest), 1 year, 5 months of creditable service. Upon completion of this purchase, Ms. Retta’s date of membership will be changed to 8/1/2016.

Robert Maiocco motion to approve Retta Smith Service Makeups as outlined above. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

Consider Non-Unit Occupational Therapy Assistant Position as an Eligible Position for Membership

Full-time position salary \$44k

Robert Maiocco motion to approve Non-Unit Occupational Therapy Assistant Position as an Eligible Position for Membership. Motion second by Bob Dickinson. Motion passed by all members voting in favor.

New Employees:

Name	Unit	Position	Hire Date	FT/PT
Annamae Aurilio	SCH	Instructional support staff	8/26/2024	Full Time
Emily Cody	SCH	Non-Unit Occupational Therapy Assistant	8/27/2024	Full Time
Catherine Milliken	SCH	Paraprofessional	8/26/2024	Full Time
Khadija Faiki	SCH	Paraprofessional	8/26/2024	Full Time
Kiley Huckins	SCH	Paraprofessional	8/26/2024	Full Time
Kristen Donnelly	SCH	Paraprofessional	8/26/2024	Full Time
Karolina Serres	SCH	Paraprofessional	8/26/2024	Full Time
Robert Patturelli	CTY	Traffic Supervisor	9/1/2024	Full Time
Jacqueline Forcina	CTY	Head Clerk in OCD	9/16/2024	Full Time

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

Retirements:

Name	Unit	Option	Retirement Date
Annie Kelley	CTY	Superannuation Option A	10/10/2024

Patrick Ripley motion to approve Annie Kelley’s retirement as outlined above. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

Option D Survivor Benefit for Ralph Kline Survivor of Rory Kline

Mr. Minervini informed the Board that we have received the completed Spousal Affidavit for Member Survivor Allowance. All necessary certificates are on file. Patrick Ripley motion to approve the Option D Survivor Benefit for Ralph Kline, Survivor of Rory Kline. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

Patrick Ripley said he has new business he would like to discuss. He understands that we are borrowing the conference phone today and said it works well, and the Board should consider purchasing one. Mr. Minervini said it's a Polycom conference phone and the IT Director is letting us borrow it, the cost has come down over the years and I seen them for \$600 - \$800 but not sure which model will work with the phone system, I would need to research.

Patrick Ripley motion to research the Polycom conference phone and approve to purchase at a cost not to exceed \$800. Motion second by Robert Maiocco. Motion passed by all members voting in favor.

Mark Minervini informed the Board that Lawrence Lepore passed away earlier this month. Mr. Lepore selected Option B Superannuation when he retired over 22 years ago. Mrs. Lepore said she believed a survivor benefit would be awarded to her, and she didn't understand the retirement options. Her family is researching legal options. I will keep the Board informed.

Mark Minervini informed the Board that he is researching ABL Technologies to replace PBI for death audit services. ABL is offering significant discounts to Massachusetts Retirement Boards and quoted \$750/yr for a 3-year contract. Currently PBI is charging \$2k/yr. The ABL offer requires a commitment before 12/31/24. I will have more information during the November meeting.

9. Executive Session

10. Adjournment

Next meeting scheduled for November 26, 2024 in City Hall Room 201.

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

On 10-31-2024


A true Record
by:


Mark Minervini

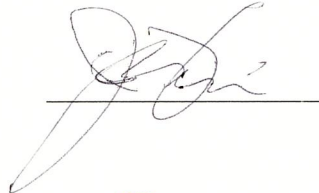
Rick Jordan


Chairman

Robert Dickinson


Ex-Officio

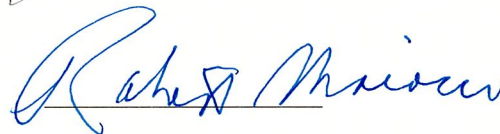
James Vieira



Patrick H. Ripley



Robert
Maiocco



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