

**Minutes  
Retirement Board Meeting of  
May 25, 2021**

The monthly meeting of the Marlborough Retirement Board was held on May 25, 2021. The meeting was held remotely due to the Covid-19 crisis. Gregory Brewster, William Taylor, Daniel Stanhope, Diane Smith, Robert Gustafson, Margaret Shea, and Nathaniel Chen were participating remotely. Michael Ossing, Henry Jaung, Stephen MacLellan, and Adam Toczylowski were also attending.

1. The meeting was called to order at 8:15 a.m. The Chairman welcomed new fifth member, Robert Gustafson.
2. The director told the members that there was a typographical error on page 828 in the third paragraph. The correction in the signed copy of the minutes will read, "IFM Investors was owned.... A motion was made and seconded to approve the minutes for May 25, 2021 as amended.

Diane Smith - Yes

Daniel Stanhope – Yes

Robert Gustafson – Yes

William Taylor - Yes

Gregory Brewster – Yes

Motion carried.

3. The chairman invited Henry Jaung and Stephen MacLellan to speak before the representatives from IFM gave their presentation. Henry Jaung started by welcoming Robert Gustafson to the Board and briefly reviewing Meketa's history with Marlborough. Stephen MacLellan reviewed performance. He noted that allocations were similar to last month's allocation. The one month return for April was 3%; the estimate month-to-date return for May was .5%. The estimated year-to-date return is 6.5% to 6.75%. Adam Toczylowski quickly reviewed the RFP process that resulted in IFM being the only respondent rated highly advantageous. Of the five respondent firms, IFM was the largest and longest tenured fund with assets of over \$52 billion. Since its establishment in 1995, returns have been consistent; approximately 11% gross return annually. IFM aligns well with Marlborough's interests, having been established by 26 Australian pension funds.

David Altshuler and Christopher Rahe from IFM were introduced. Mr. Altshuler noted the company, which was started in 1995, has \$52 billion under management in two open ended infrastructure funds. The Australian Infrastructure Fund, started in 1995, has 15 companies. The Global Infrastructure started in late 2004 and has 17 portfolio companies. Mr. Rahe noted that IFM's strategy is to manage a diversified portfolio of global infrastructure investments with a target return of 8% - 12%. Since inception, the fund has returned 8.9%. The return for ten years is 10.4%. Since inception the fund has had a 5.9% cash yield; 7.6% for the past five years. Altshuler and Rahe discussed IFM's investment strategy. They focus on best-in-class assets with an eye to growth, defensive characteristics, and inflation





protection. They provided the Board with an overview of their second largest investment, the Indiana Toll Road. This road, which links the Mid-west to the northeast, was acquired in 2005. Upon purchase, IFM launched a massive improvement plan resulting in increased driver safety. They negotiated toll increases with the state providing set increases for next 60 years. Fifteen percent of the investment was recently sold to a Canadian pension fund at a 30% premium over value. IFM charges a management fee of 77 basis points for investments under \$300 million. They also have a performance fee; 10% over an 8% return hurdle. Fees are not charged until a client is drawn into fund. Each asset is independently valued each quarter and again at year-end by different valuers.

After questions, the Board thanked Mrs. Altshuler and Rahe for their presentation. A motion was made and seconded to hire IFM.

Daniel Stanhope – Yes  
Robert Gustafson – Yes  
William Taylor - Yes  
Gregory Brewster – Yes  
Diane Smith - Yes  
Motion carried.

After the close of the IFM presentation, Jaung and MacLellan spoke to the Board about their planned allocation to private debt. After discussion, A motion was made and seconded to issue an RFP for private debt.

Diane Smith – Yes  
Daniel Stanhope – Yes  
Robert Gustafson – Yes  
William Taylor – Yes  
Greg Brewster – Yes  
Motion carried.

4. The Board reviewed a copy of the FY22 draft operating budget. The director explained that a 2% salary increase was included but the City had not approved an increase for non-union employees. William Taylor spoke regarding the Board member stipend. He asked that the line item not reflect a potential increase until the COLA base has been increased. Dan Stanhope had requested that the draft budget show the current year-to-date expenses. The draft budget with the requested changes would be presented at the June meeting.
5. Nathaniel Chen discussed the implementation of the Employee Self Service (ESS) module purchased from PTG. The ESS will be available to the active and retired membership in July. A portal link will be available on the Board's webpage and the program will be announced via a mass e-mail. A motion was made and seconded to accept and place on file.

William Taylor – Yes  
Greg Brewster – Yes

Diane Smith – Yes  
Dan Stanhope – Yes  
Robert Gustafson – Yes  
Motion carried.

6. Approval of retirements was the next item on the agenda. The following individuals had applied to retire in April: John Shumski, Beverly Sleeper, Mark Assencoa, and Edmoth Matthews. After a review of pertinent information, a motion was made and seconded to approve as submitted.

Greg Brewster – Yes  
Diane Smith – Yes  
Daniel Stanhope – Yes  
Robert Gustafson - Yes  
William Taylor – Yes  
Motion carried.

7. Approval of refunds and transfers was the next item on the agenda. The Board reviewed refunds due to Krystina Tejada, Scott Bauman, and Edmoth Matthews. The Massachusetts Teachers' Retirement Board requested a transfer of Montana Byrne's annuity savings account. A motion was made and seconded to approve the refund and transfers as submitted.

Diane Smith – Yes  
Dan Stanhope – Yes  
Robert Gustafson – Yes  
William Taylor – Yes  
Greg Brewster – Yes  
Motion carried.

8. The Financial Review was the next item on the agenda. The Board reviewed the following documents:
- a. Operating Budget as of 05/31/21
  - b. Cash Flow Analysis
  - c. Cash Reconciliation
  - d. April 2021 Accounting
  - e. 2020 Financial Statement Final
- A motion was made and seconded to accept and place on file.

Dan Stanhope - Yes  
Robert Gustafson - Yes  
William Taylor - Yes  
Gregory Brewster – Yes  
Diane Smith – Yes  
Motion carried.

9. Approval of warrants was the next item on the agenda. The director noted a change in the amount of warrant 142021. A refund that they approved was not included on





the copy of the warrant they reviewed. The revised total was \$22,267.19. A motion was made and seconded to approve the following warrants as amended: payroll warrant for May 2021, warrant #132021, and warrant #142021.

Robert Gustafson - Yes  
William Taylor – Yes  
Gregory Brewster – Yes  
Diane Smith – Yes  
Daniel Stanhope - Yes  
Motion carried.

10. The director asked if the Board would like to begin meeting in person. After discussion, the Board members will meet in June at 289 Elm Street. The director told the members that she anticipated a large meeting for July. She would schedule the July meeting in Memorial Hall in City Hall. The next topic for discussion was the search for new director. The director had included the draft of a job description. After a discussion, a motion was made and seconded to meet on June 8<sup>th</sup> at 8:15 am to discuss filling the position of director.

William Taylor – Yes  
Greg Brewster – Yes  
Diane Smith – Yes  
Daniel Stanhope – Yes  
Robert Gustafson – Yes  
Motion carried.

11. New Business/ Old Business (Reserved for Topics Not Anticipated by the Chairman) was the next topic for discussion. There was no new/old business to discuss.
12. A motion was made and seconded to adjourn the meeting at 9:40 a.m.

Greg Brewster - Yes  
Diane Smith - Yes  
Daniel Stanhope – Yes  
Robert Gustafson – Yes  
William Taylor - Yes  
Motion carried.



Gregory P. Brewster, Chairman