

**Minutes
Retirement Board Meeting of
June 29, 2021**

The monthly meeting of the Marlborough Retirement Board was held on June 29, 2021. The meeting was held in the Lobby Conference Room at 289 Elm Street. Gregory Brewster, William Taylor, Daniel Stanhope, Diane Smith, Robert Gustafson, Margaret Shea, Nathaniel Chen, Daniel Sherman, and Michael Ossing were attending.

1. The meeting was called to order at 8:15 a.m.
2. The director reported that there was a typographical error on the top of page 833; "Id-West" should read "Mid-West". A motion was made and seconded to approve the minutes for May 25, 2021 as amended. Vote unanimous.
3. Daniel Sherman met with the Board to discuss the results of the January 1, 2021 actuarial valuation. The funded ratio, based on assumptions from the 2019 valuation, was 79%. The total unfunded liability was \$52.9 million but the expected unfunded liability was \$47.2 million. Sherman reviewed the components of the \$5.7 million actuarial loss. The primary reasons were salary increases above the assumed rate and fewer retiree deaths than expected. He then reviewed the four funding options under our current assumption and then four options using an assumption with \$14,000 COLA base, a 7.25% interest assumption, and a 7.35% interest assumption. Mr. Sherman also discussed his views on appropriate interest assumptions given Marlborough's asset allocation and trends in public pension funding. After discussion, a motion was made and seconded to table choice of funding schedule to a later meeting. Vote unanimous.
4. The Board reviewed a copy of the FY22 draft operating budget. The director had reduced the amount of the board member stipend and added a column that showed actual FY21 costs. The total draft FY22 operating budget was \$469,303. After discussion, a motion was made and seconded to approve. Vote unanimous.
5. The director had discussed the unrelated business income tax and the Board's potential investment in IMF. There is controversy about whether public pension systems are subject to unrelated business income tax. If a public plan believes they are subject to the tax and if the investment is likely to earn unrelated business income, the plan can invest in a blocker fund, if provided by the manager, to reduce exposure to the tax. Meketa spoke with IMF who indicated that IMF's Global Infrastructure Fund has never generated unrelated business tax income was unlikely to do so in the future. The director recommended that Board invest in IMF's non-blocker fund. A motion was made and seconded to invest in IMF's non-blocker Global Infrastructure Fund. Vote unanimous. Dan Stanhope said that he would research the subject further.
6. Approval of retirements was the next item on the agenda. Denise Rudzinsky of the School Department had applied for retirement in May. After a review of pertinent

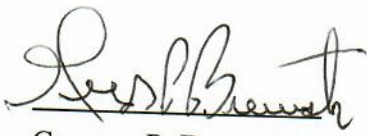
information, a motion was made and seconded to approve the application as submitted. Vote unanimous.

7. Approval of refunds and transfers was the next item on the agenda. The Massachusetts Teachers' Retirement Board requested a transfer of Brian Bujold's and Nicholas Cammuso's annuity savings funds. A motion was made and seconded to approve the transfers as submitted. Vote unanimous.
8. The Board reviewed a request for creditable service for Janice Allen. Ms. Allen is an employee of the School Department who was hired and became a member of the system on September 7, 2004. Because she was hired after the start of school, she would receive nine months of credit for the school year instead of ten. Ms. Allen was paid as a temporary, substitute employee for the first four days of the school year. It appears that there was an administrative problem that delayed her hire. She asked that she receive creditable service for her temporary substitute employment for the first 4 days of the 2004 – 2005 school year. A motion was made and seconded to approve. Vote unanimous.

The Board reviewed a request from Rosemarie Markey, an employee of the School Department. She requested creditable service for her employment as a substitute teacher from October 2012 to October 5, 2014. Employment as a teacher falls under the jurisdiction of the Massachusetts Teachers' Retirement Board. A motion was made and seconded to deny. Vote unanimous.

9. The Financial Review was the next item on the agenda. The Board reviewed the following documents:
 - a. Operating Budget as of 06/30/21
 - b. Cash Flow Analysis
 - c. Cash Reconciliation
 - d. May 2021 AccountingA motion was made and seconded to accept and place on file. Vote unanimous
10. Approval of warrants was the next item on the agenda. A motion was made and seconded to approve the following warrants: payroll warrant for June 2021, warrant #152021, and warrant #162021. Vote unanimous.
11. The director spoke to the Board regarding the search for the director position. As of the meeting, there were two candidates. The Board discussed holding the interviews at the end of the July meeting.
12. 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.
13. A motion was made and seconded to adjourn the meeting. Vote unanimous.



A handwritten signature in cursive script, appearing to read "Greg P. Brewster". The signature is written in dark ink and is positioned above the printed name.

Gregory P. Brewster, Chairman