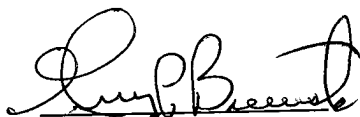


**Minutes
Retirement Board Meeting of
February 27, 2018**

The monthly meeting of the Marlborough Retirement Board was held on February 27, 2018. Gregory Brewster, David Keene, William Taylor, Diane Smith, Daniel Stanhope, and Margaret Shea were present.

1. The meeting was called to order at 8:15 a.m.
2. The Board reviewed the minutes of the meeting of January 31, 2018. A motion was made and seconded to approve. Vote unanimous.
3. The Board met with Henry Jaung and Stephen MacLellan from The Meketa Group for the quarterly investment review. The market value of the portfolio as of December 31, 2017 was \$171.9 million. The return for the year was 13.2%; the quarterly return was 3.0%. The PRIT Fund returned 17.7% for 2017. Jaung noted that the PRIT portfolio had a 20% allocation to fixed income while Marlborough's allocation was 42%. PRIT had an 8% allocation to hedge funds and a 10% allocation to private equity. Marlborough was not invested in hedge funds and had only a 2% allocation to private equity. The bright spot was Marlborough's international emerging market investment which returned 39.7%; beating its benchmark by 2.4%. Jaung and MacLellan reviewed the world markets and discussed trends for 2018. The Board also discussed upcoming searches. After discussion, a motion was made and seconded to issue an RFP for passive bond and core real estate funds. Vote unanimous.
4. The Board discussed Section 34 of the Acts of 2011, which allows for an increase in the Board stipend to an amount not more than \$4500 per year. The Board reviewed a listing of Boards and their current stipends. After discussion, a motion was made and seconded to request the Marlborough City Council to adopt Section 34. Vote unanimous. The Board asked the director to draft a letter for their review.
5. The Board reviewed a letter to the City Council requesting that they approve the Board's vote to increase the COLA base from \$12,000 to \$14,000. The Board reviewed PERAC's FY19 COLA notice. The members agreed to delay vote on the COLA until the City Council has had a chance to act on the COLA base increase.
6. The Board reviewed a letter from Michael Sacco regarding recent legal decisions. The director explained that the Vernava decision would have the greatest impact on the administration of the system. The SJC found that supplemental sick and vacation compensation paid to members receiving worker's compensation is no longer pensionable. City and School Payroll Departments were notified to stop deductions. PERAC will issue a memo regarding the decision shortly. The Board also discussed the Lydon decision. In light of this decision, Sacco recommended that his clients should neither collect or charge interest when making a correction that does not involve a benefit calculation.

7. The director discussed the annual statements that would be sent to members in approximately two weeks. The statements would be sent with a cover letter signed by the Board and a letter explaining beneficiary designation.
8. Stephen Colacchio of the D.P.W. and Melinda Rollins, a Public Safety Dispatcher, applied for superannuation retirement in January. After a review of pertinent information, a motion was made and seconded to approve. Vote unanimous.
9. Tyler McElman and Eric Jusseaume were scheduled to receive a refund of deductions taken from retroactive compensation. Melinda Rollins was scheduled to receive a refund of deductions taken in error. Vote unanimous. The Middlesex Retirement System requested the transfer of Thomas Lashmit's annuity savings account. Vote unanimous.
10. The Board reviewed the operating budget for the period ending February 28, 2018. A motion was made and seconded to accept and place on file. Vote unanimous.
11. The Board reviewed the cash reconciliation for December. A motion was made and seconded to accept and place on file. Vote unanimous.
12. The Board then reviewed PERAC memorandum # 11 regarding Investment-Related Issues and Concerns. A motion was made and seconded to accept and place on file. Vote unanimous.
13. There was no old business to discuss. Under new business, the Board discussed acknowledging Thomas Abel's service to the retirement system.
14. A motion was made and seconded to approve the following warrants; retiree payroll for February 28, 2018, #052018 and #062018. Vote unanimous.
15. A motion was made and seconded to adjourn the meeting. Vote unanimous.



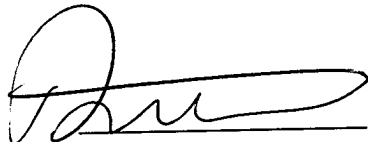
Gregory P. Brewster
Chairman



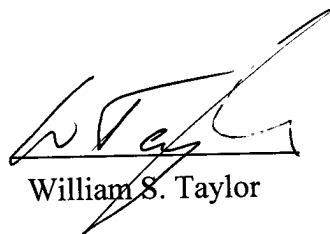
David Keene



Diane Smith



Daniel J. Stanhope



William S. Taylor