

Minutes
Retirement Board Meeting of
October 25, 2022

The monthly meeting of the Marlborough Retirement Board was held at 8:15 am, on Tuesday, October 25, 2022, in the Lobby Conference Room at 289 Elm Street, Marlborough, Massachusetts. Board Members Present: Gregory Brewster, William Taylor, Diane Smith, Daniel Stanhope and Robert Gustafson. Also present: Stephen Maclellan from Meketa, Michael Ossing, Beth Matson and Nathaniel Chen.

The meeting was called to order at 8:15 a.m.

Approval of Warrants. The Board carefully reviewed the warrants for the month of September: Retiree Payroll warrant \$1,408,503.26, Vendor warrant \$7,047.38, Refund Warrant \$31,202.29 and a Staff Payroll warrant \$23,428.29. Daniel Stanhope made a motion to approve the October warrants. William Taylor seconded the motion. **Vote: Unanimous 5-0**

Approval of New Members. The Board received 34 applications for membership as follows: Yikuen Zhu, Jacqueline Quetti, Josephine Wise, Sky Donovan, Yohannes Lantz, Michael Klusacek, Kylee Lewis, Elizabeth Riley, Marcia Santana de Sousa, Brittany Shaughnessy, Andrew Valles, and Sara Clements are Para-educators with the School Department, Brianna Capone, Hanna Cedrone, and Fabiola Rodriguez Silva are Behavior Tech's with the School Department, Antonietta Goguen, and Claudia Singleton are Administrative Office support, Also with the School Department are and Nicole Dunn, 12 month clerk, Shauna Vandenburg and Kimberly Garcia are Cafeteria Helpers. Benjamin Michon, Athletic Trainor, Nathan Gill, Custodian, Vincent Richard and Raquel Moran are Transportation Nurses, Filomena Salas Reina, Spanish Translator, and Elizabeth Farrar is a Job Coach. New members in the City of Marlborough are as follows: Roland Saucier and Josiah David are Firefighters, Kevin Sager is a Patrolman, Ashley Cartier is a principal clerk with the Police Department, Donna Palermo Clerk in the Assessors Office, Candace McGrath, Executive Secretary in the Mayor's Office, Andrew Tarani, Operator in the DPW Water Department, and Karen Mattes, Cataloguer at the Library. Diane Smith made a motion to approve all 34 applicants. William Taylor seconded the motion. **Vote: Unanimous 5-0**

Approval of Minutes. The Board carefully reviewed the minutes for the meeting of September 27, 2022. Diane Smith made a motion to approve the minutes and place them on file. William Taylor seconded the motion. **Vote: Unanimous 5-0**

Financial Review. The Board carefully reviewed the following reports:

- a. Operating Budget as of September 2022
- b. Cash Reconciliation including Bank Statement and General Ledger Reconciliation for the months of August and September 2022.
- c. The July monthly accounting including the Trial Balance, Cash Receipts, Cash Disbursements, and Adjustment Journals.

Diane Smith made a motion to accept the reports and place them on file. William Taylor seconded the motion. **Vote: Unanimous 5-0.**

Approval of Retirements.

There were no new retirement applications.

Request for Refunds and Rollovers. The Board received 3 applications for refund: Joseph Dumas, Chemist at the DPW with 4 years, 5 months of service requested a rollover. William Robinson, and Thomas Bryant both require a partial refund of deductions taken in error.

[Handwritten signatures and initials]

Diane Smith made a motion to approve the 3 refunds and place them on file. Daniel Stanhope seconded the motion. **Vote: Unanimous 5-0.**

Request for Transfers. The Board received 1 request for transfer. The Worcester Regional Retirement Board requested the transfer for Owen O'Brien, Laborer for the DPW with 1 year, 1 month of creditable service. Diane Smith made a motion to approve the transfer and place it on file. William Taylor seconded the motion. **Vote: Unanimous 5-0.**

The Meketa Group. Stephen Maclellan from the Meketa group presented the results of investment returns for the 3rd quarter. He advised the Board that the US Yield curve is indicating a recession. The Marlborough portfolio is down a net of 17.7% year to date. Robert Gustafson inquired about who determines the amount of Private Equity (PE) this System holds, and what is the range of PE that other MA Retirement Systems hold. Stephen stated the Board determines how much PE the Board has with the recommendation of Meketa, and that other MA Retirement Systems have a range of between 8 and 12%.

At 8:45 am, Daniel Stanhope left the meeting.

Next, Stephen Maclellan advised the Board of the results of the RFP for the High Yield Manager. Currently, the Board utilizes Shenkman. The Board received 28 responses. There were 8 that were ranked highly advantages. Three were opportunistic, and five were traditional. Among the 5 was Shenkman. Four percent of the Marlborough portfolio is invested in High Yield. The Board has 3 options: a) Keep Shenkman b) Replace Shenkman c) Add to Shenkman. Mr. Maclellan believes Shenkman is doing well in the current environment. Robert Gustafson made a motion to retain Shenkman as the System's High Yield Manager. William Taylor seconded the motion. **Vote: Unanimous 4-0.**

Mr. Maclellan had scheduled 3 managers to meet with the Board via a conference call at this meeting. First up: Denise D'Entremont from Rhumblin. Ms. D'Entremont updated the board with the Staff structure, products, and client base, she also advised they provide services for 14 other Massachusetts public pension funds. They recently negotiated with State Street and got some fees reduced. Bob Gustafson inquired about the expense ratio which was between 5% and 7%. The Board thanked Ms. D'Entremont for her report.

The second manager the Board met with via conference call was Shawn Mahoney from State Street Global Advisors (SSGA). Mr. Mahoney updated the Board. There were no staff changes to anything related to our two accounts at the firm. There were no big changes to the process, and they continue to see healthy flows into our funds. The Board thanked Mr. Mahoney for his report.

The last manager the Board met with via conference call was Veronica Velasquez from Payden & Rygel. Ms. Velasquez confirmed that there were no staff changes to her firm, and no changes to the investment process. Bob Gustafson inquired as to how much of the funds were allocated to China and whether there will be a higher exposure in the future. Ms. Velasquez responded there was not a lot of exposure, and there is no immediate plan for a higher exposure. The Board thanked Ms. Velasquez for her report.

Robert Gustafson and Stephen Maclellan left the meeting at 9:28 am.

Deceased. The Board acknowledged the passing of retired members: David Adams. Mr. Adams was the Fire Chief at the Marlborough Fire Department. Mr. Adams retired on February 19, 2010, and passed on October 3, 2022. Rhea Zanca was a Teacher's Aide with the School Department. Ms. Zanca retired on June 20, 2001 and passed on October 7, 2022. Diane Smith made a motion to place on file. William Taylor seconded the motion. **Vote: Unanimous 3-0**

Discussion:

Request for Waiver of Overpayments: Last month, the Board was updated on an incentive pay type granted to Police Command Officers which erroneously had retirement deductions withheld. This error affected 8 members who had previously retired and were receiving an inflated benefit. Massachusetts General Law Ch. 32 §20 (5)(c)(3) allows the board to waive repayment of amounts paid in excess provided conditions are met. These eight members have met the conditions required for the Board to consider a waiver. All eight members have completed and submitted a request for waiver form. William Taylor made a motion to approve the eight requests for waiver of overpayment. Diane Smith seconded the motion. **Vote: Unanimous 3-0.**

Fall MACRS Conference: The Board was advised that William Taylor, Beth Matson, and Nathaniel Chen attended the Fall MACRS Conference from October 2-5 in Springfield MA. William, Beth and Nathaniel gave a brief report on the topics discussed.

New Computer Monitors: Beth Matson requested the Board approve the purchase of 2 new computer monitors. The Board was given 3 quotes ranging from \$349.00 to \$465.00 per monitor. Diane Smith recommended we speak with John Burke regarding purchasing these through the State approved website. Diane Smith made a motion to approve the purchase pending speaking with Mr. Burke. William Taylor seconded the motion. **Vote: Unanimous 3-0.**

PERAC Correspondence. The Board was provided with correspondence from PERAC as follows:

10/10/2022 – PERAC Investigative Report

10/14/2022 – PERAC Memo# 26 – Appropriation Data Due 10/31/22

Diane Smith made a motion to accept and place on file. William Taylor seconded the motion. **Vote: Unanimous 3-0.**

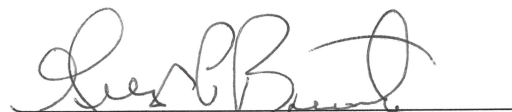
Correspondence.

09/29/2022 – Application for Accidental Disability Received

10/18/2022 - Application for Accidental Disability Received

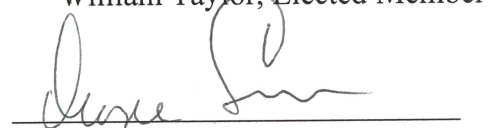
New Business/ Old Business (Reserved for Topics Not Anticipated by the Chairman)

Adjourn. Diane Smith made a motion to adjourn the meeting at 9:50 a.m. William Taylor seconded the motion. **Vote: Unanimous 3-0.**

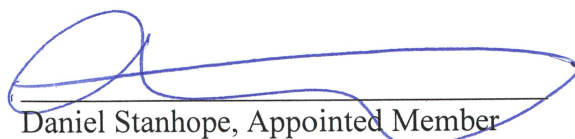


Gregory P. Brewster, Chairman

William Taylor, Elected Member



Diane Smith, Ex-Officio



Daniel Stanhope, Appointed Member

Robert Gustafson, 5th Member

