

Minutes
Retirement Board Meeting of
February 25, 2020

The monthly meeting of the Marlborough Retirement Board was held on February 25, 2020. Gregory Brewster, William Taylor, Daniel Stanhope, David Keene, and Margaret Shea were present. The meeting was held at City Hall.

1. The meeting was called to order at 8:15 a.m.
2. A motion was made and seconded to approve the minutes of the meeting of January 28, 2020. Vote unanimous.
3. The Board reviewed Chief Giorgi's involuntary accidental disability application for Brian Langelier. After discussion, a motion was made and seconded to deny Chief Giorgi's application. Vote unanimous.
4. Henry Jaung and Stephen MacLellan of the Meketa Group had arrived to review the recent performance of the fund and to discuss changes to the Board's investment policy. The fund gained 4.4% for the 4th quarter. The 2019 return was 17.5%; beating PRIT's core fund which returned 16.5%. Fiduciary and Frontier did not meet their benchmark returns for the year. MacLellan and Jaung explained the likely reasons.

The next item they addressed was the Board's asset allocation policy. Based on study of projected returns, the current policy results in an expected return of 6.2% over 20 years with a 32.5% chance of attaining 7.5% over 20 years. Jaung and MacLellan proposed a two-step glidepath for the Board to transition to a new policy. The proposed policy will provide a higher return than the current policy exceeding the Board's 7.5% assumed rate of return. The new policy has a higher standard deviation of 14.2% verses the current policy's 10.6% standard deviation. The new allocation would include new allocations to infrastructure and private debt. Jaung and MacLellan discussed new asset classes and how the transition between the current policy and the two-step policy would occur. After discussion, a motion was made and second to approve. Vote unanimous.

5. Approval of retirements was the next item on the agenda. John Donovan and A. Richard Desimone had applied for superannuation effective January 31, 2020. After a review of pertinent information, a motion was made and seconded to The Board reviewed PERAC's Appropriation and Funding Schedule Approval letters. A motion was made and seconded to accept and place on file. Vote unanimous.
6. The Worcester Retirement System requested a transfer of Melissa McGill's annuity savings account. The Essex Regional Retirement Board requested a transfer of Kaitlyn Brown's account. The Weymouth Retirement Board requested a transfer of Colby Larocque's account. The Newton Retirement Board requested a transfer of John Baldessarini's account. A motion was made and seconded to approve all transfers. Vote unanimous.

7. Russell Breault, a School Department employee, has applied for military service credit. After discussion, a motion was made and seconded to approve four (4) years of military service credit upon payment. Vote unanimous.
8. The Board reviewed a memo from the director and PERAC regarding the FY21 cost-of-living adjustment (COLA). The Social Security Administration approved a COLA of 1.6%. The memo from the director outlined the Board's options and the approximate cost of the options. The director will schedule a vote for April. A motion was made and seconded to accept and place on file.
9. The next item was a discussion regarding staffing. Since not all members were present, a motion was made and seconded to table this item to the next meeting. Vote unanimous.
10. The Board reviewed a cash flow analysis and operating budget as of February 29, 2020. The Board also reviewed the preliminary cashbooks, journals, and trial balance for January 31, 2020. The Board reviewed the cash reconciliation for December 31, 2019. A motion was made and seconded to accept and place on file. Vote unanimous.
11. New Business / Old Business was the next item on the agenda. There was no old or new business.
12. The Board reviewed PERAC Memo #11 regarding call/intermittent employment. A motion was made and seconded to place on file. Vote unanimous.
13. The Board approved the following warrants: retiree payroll warrant for February 2020, #052020, and #062020. Vote unanimous.
14. A motion was made and seconded to adjourn the meeting. Vote unanimous.



Gregory P. Brewster, Chairman