

April 18, 2018

A meeting of the Malden Retirement Board was held this day of April 18th, at 8:30 AM in the 4th floor conference room of 17 Pleasant. Street. with the following Board Members being present Warren Atkinson Jr., Charles Ranaghan, Gregory Lucey, Domenic Fermano, Douglas Eisnor, and Retirement Director James M. Ryan.

On motions duly made and seconded, it was voted:

To approve the minutes of the previous meeting, and financial reports of the previous months.

To approve all payrolls and expenditures for the last half of March and first half of April.

Accept Prior Board Meeting Minutes and PERAC Financial Reports

New Members:

Dipietrantonio, Donato-Cemetary
Chamberlin, Angela-Hot Lunch
Lynch, Thomas-Traffic Comm. Labor
Perkins, Heather-School Dept.
Wong, Wai-MHA Maintenance

Deceased:

Chambers, Charles - Police, (3/28/18 AD Opt C, 2/3 to spouse)
Pike, Grace (3/15/18 Opt C Survivor of Warren Pike - NFB)

Retirements:

Marie, Connors-PARA- School Dept. (2/24/18 Opt C)
James Casaletto-Fire Dept. (3/31/18 Opt C)
James Casella-Police Dept. 4/14/18 Opt C)

Transfers:

Brian O'Boyle-State Retirement Board \$14,591 (3.2 yrs)

Withdrawals:

None

Correspondence:

February and March 2018 PERAC Financials
PERAC Memo#16-2018-2nd Qtr 2018 Training Courses
Charles Duquet-ADR Application 2018 Malden Retirement Board Budget
Attorney Michael Sacco-Local Options email
The deBurlo Group-March 2018 Investment Portfolio Results

Vote:

Charles Duquet-ADR Application

Mr. Ryan summarized the disability application filed by former Police Officer Charles Duquet. He emphasized to the Board that Mr. Duquet worked right up to his date of retirement on March 1, 2013. Mr. Ryan had also inquired to the Police department and requested any sick records available which would prove that Mr. Duquet was incapable of performing his work duties. The Police department confirmed that he was not out on any extended sick leave at or near his retirement date. Mr. Fermano made a motion to deny Mr. Duquet's application for disability retirement, Mr. Eisnor seconded the motion. The vote was unanimous to disapprove the application.

2018 Expense Budget

Mr. Ryan presented to the Board the 2018 calendar year expense budget. He made some increases in the line item for legal fees and staff salaries. Overall the 2018 budget remains the same as the 2017 budget line items. The 2017 actual results versus 2017 budget were approximately \$64,000 favorable for administrative/controllable expenses. Mr. Fermano made a motion to approve the 2018 budget, Mr. Eisnor seconded the motion, the vote was unanimous to approve the budget.

MACRS 2018 Spring Conference

Mr. Ryan discussed the upcoming June 3-6th MACRS conference. Mr. Fermano made a motion to approve travel and education costs for Board members and staff, Mr. Ranaghan seconded the motion and the vote was unanimous to approve travel and education costs.

Local Option for Ordinary Disability G.L. c.32 §6(1)

There are only two Retirement Boards who have not adopted this local option. Malden is one of them. A discussion was held about the benefits of the option and change in service requirements from 15 to 10 years. Mr. Ranaghan made a motion to adopt and approve the local option with the final approval by Malden City Council. Mr. Fermano seconded the motion and the vote was unanimous. Mr. Ranaghan will ask for the City Council's approval at the next Malden City Council meeting.

Legal RFP Bids selected candidate approval

Mr. Ryan requested that each Board member provide him with the RFP candidate rating sheet. A discussion was held regarding the benefits of each candidate. The two candidates total ratings were; the Law Offices of Michael Sacco, P.C. 156 and Murphy, Hesse, Toomey & Lehane, LLP 146. The Board stated that they are happy with Attorney Sacco's services and he has more specialized experience in laws effecting retirement Boards in the Commonwealth of MA. Cost comparisons also favored the Law Offices of Michael Sacco, P.C. Mr. Ranaghan made a motion approve the RFP of the Law Offices of Michael Sacco and initiate a seven-year contract subject to further review by the Board. The vote was unanimous. The contract period would be from 1/1/19-12/31/25.

Discussion:

James Casaletto Appeal to District Court

Mr. Ryan informed the Board that Mr. Casaletto's attorney Christopher Fallon has submitted a detailed letter of his intention to appeal the involuntary superannuation filed by Fire Chief Kevin Finn.

Local Option for Board member indemnification G.L. c.32 §20A

The option would require the City Council to approve the indemnification of Board members from personal liability. The Fiduciary Insurance policy has a \$10,000 deductible per Board member. This option would cover the deductible cost. The Board agreed to table the decision until more information is found out about how the city of Malden would pay for this indemnification and the process to get the city council approval.

Investment Objectives recommended changes by the deBurlo Group

Mr. Ryan and the Board discussed the proposed changes to two small sections of the 2018 Investment Objectives with Mike Shade of the deBurlo Group. The Board agreed to allow Mr. Shade to make the recommended changes and then forward the final 2018 Investment Objectives to Mr. Ryan for review. The adjustment will allow the deBurlo Group to keep or add to the quantity of highly valued stock which is between 5% and 6% of the aggregate portfolio market value.

1st Quarter 2018 investment portfolio results-the deBurlo Group

At 9:30 AM the deBurlo Group entered the Board meeting to present the 1st quarters investment portfolio results. Mr. Russ deBurlo commented that the stock market is very volatile now due to numerous reasons. US, Russia and China trade issues and US and worldwide political turmoil. The stock market was down by 1.2% overall in the 1st quarter, however Malden's stocks were up 5.3%. Mike Shade commented that the economy and stock market look very promising for the near future. The value of Malden's portfolio grew \$7.1 million in the 1st quarter. Stocks were trimmed down 5% to a holding of 59%. The stock proceeds went into bonds which increased by 5% to 41%. Steve Kern discussed the bond portfolio and the effects of planned increased in interest rates. Treasuries are being increased and municipal bonds decreased. The quality of the bond holdings are being increased to AAA.

Technology stocks and Healthcare were increased which had a favorable result. Energy and Consumer stocks were reduced which also turned out favorably. New stock holding which have great potential were discussed such as cyber security companies. Mr. Shade discussed the favorable 1st quarter results being that the portfolio was up 2.9% of which stocks increased 5.29% and bonds decreased 1.83%. These results far outperform the S&P 500 and Barclays indexes. Through February 2018 the Malden portfolio is also outperforming the PRIT fund. Malden is up 3.7% and PRIT is up 2.8%.

Disability updates

James Crowley (Pending Exam scheduling), James Casaletto and Steven Ruddock await PERAC Legal approval.

APPROVE THE FOLLOWING EXPENSES AND INVESTMENTS

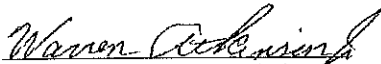
Michael Sacco-March 2018 Legal Services	5,794.00
deBurlo Group-March 2018 Inv Mgmt Fee	55,362.00
James Ryan-Postage cost for cert. mail and Annual Statement	20.65
Purchase Power Pitney Bowes-Machine rental and postage	297.98
Ricoh USA, Inc. (Print Cartridge)	94.00
Ready Refresh-Bottled water	7.99
WB Mason Co, Inc-Office Supplies	93.24

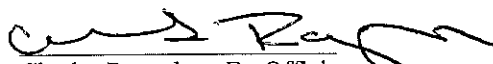
<u>SECURITY DESCRIPTION</u>	<u>QUANTITY (UNITS)</u>	<u>PROCEEDS/ COST</u>
US TSY 2 1/2 03/31/23	1,800,000	1,788,891
MSFT 3.3 2/6/27	2,250,000	2,213,955
US TSY 3 2/15/48	1,800,000	1,755,000
US TSY 2 3/4 2/15/28	1,800,000	1,770,750
US TSY 3 2/15/48	1,350,000	1,297,688
US TSY 3 2/15/48	250,000	243,555
US TSY 3 2/15/48	450,000	439,031
APPLE INC.	1,000	166,199
FASTENAL CO	3,400	180,005
MARRIOTT INTL CL A	3,000	394,751
AMN HEALTHCARE SERVICES	5,000	287,867
UNITEDHEALTH GROUP, INC.	4,000	896,975
AMN HEALTHCARE SERVICES	3,000	173,755
FASTENAL CO	6,000	328,582
FORTINET INC	14,000	758,689
PALO ALTO NETWORKS	2,000	377,492
PROOFPOINT INC	7,000	828,829
APPLE INC.	2,500	433,682
AMN HEALTHCARE SERVICES	11,000	648,887
SALESFORCE.COM	2,200	263,908
CUTERA, INC.	6,000	320,401
QUALYS INC	5,000	378,539
UNITEDHEALTH GROUP, INC.	3,000	688,773

APPLE INC.	2,000	344,717
AMN HEALTHCARE SERVICES	6,000	357,634
E*TRADE FINANCIAL CORP	5,000	284,518
EDWARDS LIFESCIENCES	4,000	556,448
FORTINET INC	7,000	385,875
INOGEN INC	2,000	264,148
PAYCOM SOFTWARE	4,000	436,531
PROOFPOINT INC	4,000	478,067
ATLASSIAN CORP	5,000	283,123
E*TRADE FINANCIAL CORP	14,000	805,038
FORTINET INC	18,000	1,006,754
PAYCOM SOFTWARE	4,000	442,371
PROOFPOINT INC	2,000	242,765
AMN HEALTHCARE SERVICES	5,000	321,229
E*TRADE FINANCIAL CORP	9,000	521,437
PAYCOM SOFTWARE	6,000	671,830
PROOFPOINT INC	4,000	487,134
ALIGN TECHNOLOGY	2,000	522,100
INOGEN INC	1,000	135,936
PALO ALTO NETWORKS	2,000	375,083
CUTERA, INC.	7,000	381,818
INOGEN INC	2,600	363,369
PROOFPOINT INC	2,000	248,540
ALIGN TECHNOLOGY	2,000	546,726
FORTINET INC	10,000	575,187
INOGEN INC	2,400	341,627
PROOFPOINT INC	5,000	625,198
AMN HEALTHCARE SERVICES	5,000	330,146
INOGEN INC	2,000	285,111
PAYCOM SOFTWARE	4,000	470,007
PROOFPOINT INC	3,000	379,916
QUALYS INC	10,000	845,704
ATLASSIAN CORP	8,000	500,953
UNITEDHEALTH GROUP, INC.	3,000	715,632
AMEDISYS INC	5,500	368,890
ALTERYX INC	9,000	340,102
ETSY INC	24,000	724,291
GLOBUS MEDICAL INC	7,000	357,799
ICU MEDICAL INC	1,500	372,760
AMEDISYS INC	5,500	369,537
ALTERYX INC	9,000	330,253
GLOBUS MEDICAL INC	7,000	360,921
ICU MEDICAL INC	1,500	374,433

XPO LOGISTICS INC	4,000	426,153
ALTERYX INC	2,000	72,276
E*TRADE FINANCIAL CORP	10,000	606,137
ETSY INC	2,000	60,139
INOGEN INC	2,000	284,767
NETFLIX	1,400	460,031
PALO ALTO NETWORKS	4,000	769,242
PROOFPOINT INC	7,000	858,889
PAYPAL HOLDINGS	7,000	554,664
XPO LOGISTICS INC	4,000	422,364
E*TRADE FINANCIAL CORP	9,000	548,349
GLOBUS MEDICAL INC	3,000	154,983
PALO ALTO NETWORKS	2,000	383,839
QUALYS INC	9,000	702,230
THERMO FISHER SCIENTIFIC INC.	2,000	426,752
AMEDISYS INC	3,000	199,469
AMN HEALTHCARE SERVICES	6,000	403,983
E*TRADE FINANCIAL CORP	6,000	369,503
ETSY INC	5,000	149,368
STRYKER CORP.	3,000	512,165

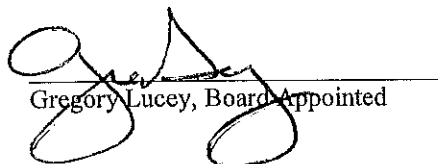
A motion was made by Mr. Eisnor to adjourn the meeting at 10:30AM and seconded by Mr. Ranaghan. All were in favor to adjourn the April 18, 2018 meeting.


Warren Atkinson Jr., Chairman


Charles Ranaghan, Ex-Officio

Domenic Fermano, Appointed Member

Douglas Eisnor, Elected Member


Gregory Lucey, Board Appointed

Laurie A. MacDonald, Executive Secretary