

October 18, 2017

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

On motions duly made and seconded, it was voted:

To approve the minutes of the previous meeting.

To approve all payrolls and expenditures for the last half of September and first half of October.

VOTED TO APPROVE OR ACKNOWLEDGE THE FOLLOWING:

Accept Prior Board Meeting Minutes

New Members:

Deloach, Nicole-PARA
Freckler, Stephen-Committee Specialist
Buckley, Richard-DPW Mechanic
Barnes, James-MRA Home Director
Burgess, Catherine-School Nurse
Riordan, Daniel-Building Inspector

Deceased:

Burgess, Henry, Fire (9/30/17, AD Opt B, Spouse to receive either sect101 or acc. death benefit)
Tucci, Marie, School Café (9/22/17, Opt B, NFB)
McGonagle, Philip, Fire (9/23/17, Opt C Popup, NFB)
Pease, Kenneth, Library (10/4/17, Opt C, Spouse to receive 2/3)
Eggleston, Helen, Retirement (10/13/17, Opt B, NFB)
Latham, John, MHA (10/10/17, Opt A, NFB)

Retirements:

Robert Dietz-Police 10/1/17 Opt B

Transfers:

None

Withdrawals:

None

Correspondence:

PERAC-4th Quarter Educational Courses
Roselli, Clark & Associates 2016 Audit-Final Report

Vote and Discussion:

Henry Burgess Accidental Death petition

Discussion:

The deBurlo Group-3rd quarter investment portfolio results
Henry Burgess Accidental Death petition
Board election date updates-ballot finalization
Disability updates-W. Bruce, Allen Ray, S. Ruddock

The deBurlo Group-3rd quarter investment portfolio results

At 9:15 the deBurlo Group joined the meeting to present 3rd quarter results. Mr. Steve Kern, the new Bond portfolio analyst was introduced. He will be replacing Rick Vincent who is retiring soon. Mike Shade began the presentation and commented on the global economic recovery which is extremely positive. The US is a major piece of the favorable results. Our portfolio has increased in value by approximately \$30 million dollars since the beginning of the year. Through Friday October 13th the value is approximately \$244 million. The allocation is 59% stocks and 39% bonds. 3rd quarter stocks appreciated \$2.8 million. We have been largely overweight in technology and adding more of the financial sector. Russ deBurlo discussed the graph on tab 2 page 8 of the handout. Our growth in the portfolio since 2008 is approximately \$145 million. Rick Vincent mentioned that bonds have had positive returns in 4 out of the last 5 quarters. We are heavily overweight in corporate bonds and interest rates have been stable. Malden versus the PRIT portfolio is favorable through August 2017 by 2%. Malden's return is 13.5% and PRIT's return is 11.3%. The portfolio returned 4.33% in the third quarter, a net result of positive bond market returns and excellent returns for equities. The stock's appreciated by 6.83% in value, which is well above the 4.48% increase in the S&P 500. The bonds were up 1.11%, which was above the 0.81% gain realized by the Barclay's index.

Henry Burgess Accidental Death petition

Mr. Ryan handed to the Board the petition for a section 9 accidental death benefit. The petition was signed by Mr. Burgess's spouse Shirley. Attached to the petition was the death certificate and his treating physician's note on the cause of death. Henry Burgess a former firefighter retired under one of the disability presumptions in 1991 and passed away on September 30, 2017. The Board reviewed the information and a brief discussion ensued regarding the cause of death and its relation to the disability benefit. A motion to approve the section 9 accidental death benefit was made by Mr. Lucey and seconded by Mr. Eisnor. All four attending Board members were in favor and the vote was unanimous. Mr. Ryan informed the Board that he will set up the PERAC disability transmission approval on PROSPER for the Board members electronic signature. Mr. Atkinson will inform Mr. Burgess's spouse and daughter about the Board's approval.

Board election date updates-Ballot Finalization

Mr. Ryan informed the Board that there is a total of five candidates which include the two incumbents'. He handed Mr. Ranaghan the five candidates names placed on a small piece of paper. Names were placed in a bag and selected to determine who will appear in succession on the ballot. Mr. Ranaghan selected in order: 1st name Karen Bushee, 2nd name James Cahill, 3rd name Jason Froio, 4th name Douglas Eisnor, 5th name Warren Atkinson Jr. Mr. Ryan informed the Board that he will order the ballots and envelopes immediately with LHS Associates. As soon as the order is received it will be mailed out to members and retirees for anticipation of the November 29th election.

Disability Updates

We are waiting on final approval by PERAC actuarial unit regarding the benefit calculations for W. Bruce, and Allen Ray. Steven Ruddock's records are being collected and organized to convene a medical panel by PERAC.

APPROVE THE FOLLOWING EXPENSES AND INVESTMENTS

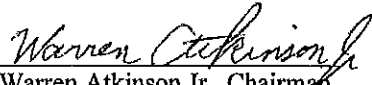
Michael Sacco-September 2017 Legal Services	120.00
deBurlo Group-September 2017 Investment Mgmt Fee	52,687.00
WB Mason-Office supplies	136.49
Purchase Power-Pitney Bowes postage	193.18
Ready Refresh-Bottled Water'	20.93
BSU Cloud Services – Monthly contract for IT support	400.00
Jim Ryan-MACRS Fall Conference-Travel Costs	649.00

<u>SECURITY DESCRIPTION</u>	<u>QUANTITY (UNITS)</u>	<u>PROCEEDS/ COST</u>
ASCENSION HEALTH	450,000	459,734
METLIFE CAPITAL TRUST IV	900,000	1,212,750
METLIFE CAPITAL TRUST IV	350,000	470,750

NEW YORK ST DORM AUTH	75,000	94,422
TREASURY BILL	5,000,000	4,996,208
NEW YORK NY	45,000	55,463
TREASURY BILL	2,000,000	1,998,827
BROADCOM CRP/ CAYMN FI	200,000	199,910
US TREASURY	4,500,000	4,496,535
US TREASURY	500,000	493,203
TREASURY BILL	2,000,000	1,999,343
HSBC FINANCE	140,000	158,098
AMERICAN EXPRESS CO	400,000	399,748
BB&T CORPORATION	900,000	899,262
HSBC FINANCE	100,000	112,797
METROPOLITAN TRANS AUTH N	75,000	113,024
EAST BAY CA MUNI UTILITY	50,000	64,619
MARKEL CORP	350,000	349,241
LLOYDS BANKING GROUP PLC	900,000	900,000
ABIOMED INC	1,500	255,497
AVERY DENNISON CORP	3,000	297,148
CITIGROUP, INC.	14,000	1,032,297
FORTIVE	6,000	428,792
JP MORGAN CHASE & CO.	10,000	966,442
MASTERCARD INC.	10,000	1,424,559
MANPOWER INC	4,000	479,792
MARATHON PETROLEUM	6,000	335,077
OWENS CORNING	8,000	623,991
PNC FINANCIAL SVCS GRP	10,000	1,353,263
SVB FINANCIAL GROUP	2,000	375,218
THERMO FISHER SCIENTIFIC INC.	1,500	284,828
ZION BANK CORP	10,000	472,485
JP MORGAN CHASE & CO.	10,000	970,654
SHERWIN-WILLIAMS CO	800	298,686
CITIGROUP, INC.	7,000	522,680
STMICROELECTRONICS	36,000	711,997
THERMO FISHER SCIENTIFIC INC.	3,000	577,958
AFFILIATED MANAGERS GROUP	3,000	583,031
A. O. SMITH	6,000	366,745
QUALYS INC	14,000	749,836
VERSUM MATERIALS	19,000	726,693
ABIOMED INC	2,000	345,270
MASTERCARD INC.	8,000	1,174,924
ABIOMED INC	2,000	345,315
AFFILIATED MANAGERS GROUP	2,000	390,267
MASTERCARD INC.	5,000	737,394

MANPOWER INC	5,000	610,281
PNC FINANCIAL SVCS GRP	2,000	272,753
STMICROELECTRONICS	12,000	240,548
ABIOMED INC	2,000	349,141
AFFILIATED MANAGERS GROUP	3,000	581,999
MASTERCARD INC.	5,000	739,759
MANPOWER INC	5,000	611,884
PNC FINANCIAL SVCS GRP	2,000	270,022
STMICROELECTRONICS	12,000	242,033
AFFILIATED MANAGERS GROUP	4,000	778,076
AVERY DENNISON CORP	9,000	914,324
JP MORGAN CHASE & CO.	12,000	1,174,793
SHERWIN-WILLIAMS CO	800	307,835
STMICROELECTRONICS	15,000	302,409
VERSUM MATERIALS	3,000	118,775
CITIGROUP, INC.	19,000	1,401,879
INOGEN INC	2,000	188,850
MASTERCARD INC.	7,000	1,021,220
SVB FINANCIAL GROUP	4,000	748,805
THERMO FISHER SCIENTIFIC INC.	8,000	1,594,147
UNITEDHEALTH GROUP, INC.	7,000	1,454,641
VERSUM MATERIALS	8,000	317,750
JOHNSON & JOHNSON	2,000	284,677
PNC FINANCIAL SVCS GRP	1,000	138,164
QUALYS INC	2,000	105,100
SHERWIN-WILLIAMS CO	500	198,032
VERSUM MATERIALS	5,000	205,101
3M CO	4,000	931,018
SVB FINANCIAL GROUP	1,000	220,840


A motion was made by Mr. Eisnor to adjourn the meeting at 10:02AM and seconded by Mr. Lucey. All were in favor to adjourn the October 18, 2017 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