

**April 22, 2021**

A meeting of the Malden Retirement Board was held this day of April 22nd, at 8:30 AM via remote conference call-in with the following present: Retirement Director James Ryan, and Board Secretary Laurie MacDonald: Warren Atkinson Jr., Charles Ranaghan, Domenic Fermano, Scott Lucey, and Donald Boyce.

As a result of the Covid 19 "Corona Virus". The meeting was conducted in accordance with Governor Bakers Emergency Executive Order which suspends certain provisions of the Open Meeting Law. Additionally, the order relieves the requirement that a quorum of Board members be physically present at a public meeting. During this period, members may all participate by remote or virtual means.

Board members were given a dial in phone number and passcode to allow the meeting to be held via conference telephone. Mr. Ryan emailed out all agenda and attachments to be discussed at the meeting.

On a motion by Donald Boyce and seconded by Scott Lucey, it was voted:

To approve all payrolls and expenditures for the last half of March 2021 and first half of April 2021.

Rollcall vote by Secretary Laurie MacDonald:

Donald Boyce: Yes  
Domenic Fermano: Yes  
Charles Ranaghan: Yes  
Warren Atkinson: Yes  
Scott Lucey: Yes

Vote was unanimous.

On a motion by Donald Boyce and seconded by Scott Lucey, it was voted to:

Accept Prior Board Meeting Minutes and PERAC Financial Reports for March 2021.

Rollcall vote by Secretary Laurie MacDonald:

Donald Boyce: Yes  
Domenic Fermano: Yes  
Charles Ranaghan: Yes  
Warren Atkinson: Yes  
Scott Lucey: Yes

Vote was unanimous.

**New Members:**

Mahoney, Christina-PARA  
Powers, Haily-PARA

Isaza, Kevin-School-Family Liaison  
Joint, Sarah—School-Family Liaison  
DeSalvo, Scott- Water  
Halim, Soumia-PARA  
Taibe, Edison-DPW Water  
Apraku, Deborah-PARA  
Belliveau, Linda-Café

On a motion by Domenic Fermano and seconded by Scott Lucey, it was voted to:

Accept new members.

Rollcall vote by Secretary Laurie MacDonald:

Donald Boyce: Yes  
Domenic Fermano: Yes  
Charles Ranaghan: Yes  
Warren Atkinson: Yes  
Scott Lucey: Yes

Vote was unanimous.

**Deceased:**

Esperance, Marie-McFadden Manor-2/20/21 (Opt A NFB)  
Blais, Wilfred (spouse of Frances)-4/1/21 (Opt C pop-up to A for Frances)

**Retirements:**

MacGregor, John-Custodian (2/24/21 Opt B)  
McGlinchy, Barbara-MHA (4/1/21, Opt B)

On a motion by Domenic Fermano, and seconded by Charles Ranaghan, it was voted to:  
Approve the retirements:

Rollcall vote by Secretary Laurie MacDonald:

Donald Boyce: Yes  
Domenic Fermano: Yes  
Charles Ranaghan: Yes  
Warren Atkinson: Yes  
Scott Lucey: Yes

Vote was unanimous.

**Transfers:**

Serena, Thomas PARA-Transfer to Winchester Ret Bd (\$153, 1 month)

On a motion by Scott Lucey, and seconded by Domenic Fermano, it was voted to:

Approve the transfers out to other retirement boards.

Rollcall vote by Secretary Laurie MacDonald:

Donald Boyce: Yes  
Domenic Fermano: Yes  
Charles Ranaghan: Yes  
Warren Atkinson: Yes  
Scott Lucey: Yes

Vote was unanimous.

**Withdrawals:**

Buckley, Richard-DPW (\$17,182, 3.5yrs)  
Bellmer, Kimberly-Cafe (\$6,567, 7.5yrs)

On a motion by Charles Ranaghan, and seconded by Scott Lucey, it was voted to:

Approve the withdrawals of member funds.

Rollcall vote by Secretary Laurie MacDonald:

Donald Boyce: Yes  
Domenic Fermano: Yes  
Charles Ranaghan: Yes  
Warren Atkinson: Yes  
Scott Lucey: Yes

Vote was unanimous.

**Correspondence:**

March 2021 PERAC Financials  
COLA Base Increase Letter to Council President

**Discussion:**

**Custodian Bank Discussion**

Mr. Ryan informed the Board that the State Attorney General's Insurance and Financial Services Division had contacted him regarding State Street Bank & Trusts process regarding daily cash sweeps and overdraft fee charges. Ms. Lilia Dubois had indicated that there was an investigation being conducted regarding improper overdraft charges to Retirement Systems. Mr. Ryan gave an overview of the processes and had her contact Mr. Mike Shade of the deBurlo Group. Mr. Shade would be able to provide a more in-depth overview. The Board discussed the details of the situation with Mr. Ryan. Mr. Ryan had previously

expressed his dissatisfaction with State Street Bank & Trusts services and his intent to hire a new custodian bank. The Board agreed that this should be done. Mr. Ryan will research and reach out to potential custodian banks that had recently bid on the RFP custodial service contract. He will also contact PERAC and inquire whether another RFP needs to be submitted.

### **The De Burlo Group 1<sup>st</sup> Quarter 2021 Investment Results**

Mr. Shade gave an overview of the economy and how it has remained stable and with some growth since the beginning of the pandemic. Federal Stimulus packages and the roll-out of Covid 19 vaccinations have affected the stock market in a positive way. The portfolio is currently balanced at 65% stocks and 35% Bonds. The Biden infrastructure bill when passed should have a favorable impact on the economy and jobs.

The MRB portfolio has increased by \$46 million since the outset of the pandemic. At the end of March 2021 the portfolios market value is \$314 million.

#### **First Quarter Performance**

Malden's entire portfolio declined approximately 1.5% during the first quarter, a result of positive stock returns and negative bond returns.

- Although the portfolio's stocks gained in value, the S&P 500 turned in an excellent quarter, up nearly 6.2%.
- The portfolio's bonds were down 4.4%, or roughly in line with the Index' loss of nearly 4.3%.

#### **Bond Performance**

Malden's bond portfolio underperformed the index by 0.15% (15 basis points) during the first quarter, which could have been worse if we hadn't lowered the portfolio duration in early February.

- Given the significant increase in yields during the first quarter, there will be more of an opportunity to generate positive total returns going forward as yields now have room to both rise and fall, and will do so during times of increased volatility.
- We will continue to maintain our high quality positioning to protect the portfolio against spread widening, and to maintain maximum liquidity.

#### **Stock Performance**

- Cyclical stocks in the industrials sector performed well due to expectations of an economic rebound during the coming months, as well as the potential for Congress' passage of an infrastructure bill. In particular, railroad stocks such as Kansas City Southern and Canadian Pacific contributed to Malden's positive performance during the past three months.
- The portfolio's exposure to international stocks through the developed and emerging markets funds also contributed positively to the returns.
- On the other hand, certain technology holdings such as Advanced Micro Devices, RingCentral, and NVIDIA held back performance during the quarter.

As of April 19th the MRB portfolio is up 3% overall, and stocks are up 5%. April has been a very good performance month.

**Disability updates**-No current disabilities in process

**APPROVE THE FOLLOWING EXPENSES AND INVESTMENTS**

Wakefiel Retirement System-38C	908.57
Boston Retirement System-38C	16,217.41
Essex Regional Retirement System-38C	7,683.70
The Law offices of Michel Sacco (March legal fees)	100.00
Ricoh USA (Copier images)	13.70
Drew & Rogers Inc (Window envelopes)	168.35
James Ryan (Flower bouquet)	70.44
State Street Bank & Trust (February 2020 Custodial Fees)	4,469.21
The de Burlo Group-March Investment Management Fee	66,021.00

<u>SECURITY DESCRIPTION</u>	<u>QUANTITY (UNITS)</u>	<u>PROCEEDS/ COST</u>
AVERY DENNISON CORP	2,000	384,147
AZEK CO INC	9,000	400,618
BERKSHIRE HATHAWAY B	5,000	1,312,114
ESTEE LAUDER COS INC	1,000	298,843
EMERSON ELEC CO	9,000	828,018
JACOBS ENGINEERING GROUP INC	6,000	793,993
JP MORGAN CHASE & CO.	5,000	764,690
OLD DOMINION FREIGHT LINE	1,000	245,875
ANALOG DEVICES, INC.	4,000	644,085
BROADCOM INC.	2,000	967,035
AVERY DENNISON CORP	3,000	575,268
BLACKROCK INC	1,000	796,842
BERKSHIRE HATHAWAY B	2,000	525,509
CHIPOTLE MEXICAN GRILL INC	300	456,727
ESTEE LAUDER COS INC	2,000	595,326
EPAM SYSTEMS INC	1,000	417,809
OLD DOMINION FREIGHT LINE	2,000	490,556
SYNCHRONY FINANCIAL	19,000	799,649
BROADCOM INC.	2,000	968,046
AVERY DENNISON CORP	2,000	392,720
BLACKROCK INC	1,000	805,451
BROOKS AUTOMATION	5,000	477,228
CHIPOTLE MEXICAN GRILL INC	300	467,381
EPAM SYSTEMS INC	1,000	425,016
JACOBS ENGINEERING GROUP INC	4,000	538,902

PAYPAL HOLDINGS	3,000	802,943
BROOKS AUTOMATION	5,000	481,201
BROOKS AUTOMATION	5,000	476,890
AZEK CO INC	14,000	704,525
BROOKS AUTOMATION	6,000	642,035
ELF BEAUTY INC	10,000	305,244
EPAM SYSTEMS INC	1,000	459,624
LINDE PLC EUR	2,000	581,172
PPG INDUSTRIES	5,000	871,954
PAYPAL HOLDINGS	5,000	1,347,731
STRYKER CORP.	6,000	1,599,837
AGILENT TECHNOLOGIES	5,000	679,050
AZEK CO INC	23,000	1,136,432
BROOKS AUTOMATION	10,000	1,072,774
DISCOVER FINANCIAL SERVICES	8,000	888,817
ELF BEAUTY INC	17,000	512,644
EPAM SYSTEMS INC	1,000	459,569
PPG INDUSTRIES	3,000	520,585
PAYPAL HOLDINGS	3,000	815,473
STRYKER CORP.	3,000	781,232

A motion was made by Mr. Fermano to adjourn the meeting at 10:07 AM and seconded by Mr. Lucey. All were in favor to adjourn the April 22, 2021 meeting.

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Warren Atkinson Jr., Chairman

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Charles Ranaghan, Ex-Officio

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Domenic Fermano, Appointed Member

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Donald Boyce, Elected Member

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Scott Lucey, Board Appointed

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James M. Ryan-Director, Respectfully Submitted

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Laurie A. MacDonald, Executive Secretary