

Andris Silins, Chairman
Michael Fitzmaurice, Elected Member
Antonio Torres, Elected Member

Ping Yin Chai, Appointed Member
Paul T. Hynes, Appointed Member
Joseph M. Petty, Executive Secretary

**MASSACHUSETTS HOUSING FINANCE AGENCY
EMPLOYEES' RETIREMENT BOARD
ONE BEACON STREET
BOSTON, MA 02108
(617) 854-1871, 1123**

**Minutes of the Regular Meeting of Members
August 14, 2018.**

The regular meeting of the Massachusetts Housing Finance Agency Employees' Retirement Board was held at the offices of the Massachusetts Housing Finance Agency, One Beacon Street, Boston, Massachusetts at 1:30 pm.

Present were:

Andris Silins, Board Chairman
Ping Yin Chai, Appointed Member (via phone)
Michael Fitzmaurice, Elected Member
Paul T. Hynes, Appointed Member
Antonio Torres, Elected Member

Others present:

Joseph M. Petty, Executive Secretary
Michelle Shinnick, Retirement Analyst
Craig Merry, MassHousing
Dan Dynan, Meketa Investments
Stephen MacLellan, Meketa Investments

The Board Chair, Andris Silins determined that Ping Yin Chai could not be present in person at the meeting and would participate in the meeting via phone.

UPON MOTION DULY MADE AND SECONDED, it was voted:

To approve the minutes of the July 10, 2018 meeting. (roll call 5-0).

The bank reconciliations and trial balance were reviewed. Andris Silins inquired whether there were any transactions out of the ordinary. Joseph Petty noted that there were no transactions out of the ordinary, however, however we did have one transfer, Stephanie Burns and 3 retirements; Collen Duffy, Kenneth Penta and Al Shaw.



UPON MOTION DULY MADE AND SECONDED, it was voted:

The retirements, refunds and transfer on the attached list were reviewed and approved along with the retirement payroll and vouchers 2018068-20180477 (roll call 5-0).

Dan Dynan reviewed the system performance and noted that our System returned a 0.3% for the 2nd quarter and a 7.5% for the trailing year. As of June 30th, the System's market value was \$147.3 million, a decrease of \$0.3 million from the previous quarter. The decrease was due to net cash outflows. Mr. Dynan noted that performance was mixed but generally weak with the exceptions of domestic equity (+3.9%) and natural resources (+6.0%). International developed equities fell 1.2% and emerging market equities were down 8.6%. Public equities have been strong over the trailing year versus other asset classes, with U.S., international and emerging equities up 14.9%, 8.6%, and 5.5%, respectively. Fixed income returns were mostly flat to moderately positive with the exception of emerging market debt. Real estate performance was moderately positive, up 2.3% during the quarter while natural resources rose by 6.0%. All asset classes were within their respective target asset allocation range.

Dan Dynan reviewed the investment of the annual appropriation of \$6.5 dollars in July and also noted that a fee reduction of one basis point in the first tier of SSgA Global LargeMid Cap Natural Resources Strategy to 0.13%.

Steve MacLellan reviewed the emerging markets equity search noting they had received 19 respondents and would like to discuss with the investment committee the selection of finalist for interviews.

UPON MOTION DULY MADE AND SECONDED, it was voted:

To have the investment committee review Meketa's evaluation and selection of finalists for interviews. (roll call 5-0).

Dan Dynan noted that the Board has achieved its target allocation of private equity of 10% and to maintain the allocation and vintage year diversification he recommended conducting a search for a \$5-\$10 million commitment. After a discussion the Board agreed.

UPON MOTION DULY MADE AND SECONDED, it was voted:

To allow Meketa Investments to issue an RFP for private equity manager or managers. (roll call 5-0).

Dan Dynan noted that our High Yield portfolio manager, Columbia High Yield, is due for a search by 2019. It was also discussed that the lead portfolio manager is taking an indefinite medical leave. Because of these two issues that Board agreed that an RFP should be issued.

UPON MOTION DULY MADE AND SECONDED, it was voted:

To allow Meketa Investments to issue an RFP for a High Yield Manager. (roll call 5-0).

Joseph Petty reviewed with the Board the meetings with fund managers for Intercontinental and Ascent.

The image shows three handwritten signatures in black ink, each positioned above a horizontal line. The first signature on the left is a stylized, cursive 'JD'. The middle signature is a more fluid, cursive 'JD'. The signature on the right is a cursive 'JP'.


Joseph Petty informed the Board that that the salary adjustment this year is up to 4.3% and includes both COLA and merit. Employees with salaries under \$100k will receive a 2% COLA and be eligible for a merit increase. Employees with salaries over \$100k will receive a 1% COLA as well as being eligible for a merit increase.

Joseph Petty reviewed Perac memos 21-24.

UPON MOTION DULY MADE AND SECONDED, it was voted:

To adjourn the meeting at 1:55 p.m, (roll call 5-0)

Andris Silins - Board Chairman



Michael Fitzmaurice - Elected Member



Antonio Torres - Elected Member



Ping Yin Chai, Appointed Member



Paul T. Hynes – Member Appointed by Other Members

**Massachusetts Housing Finance Agency
Employees' Retirement Board
One Beacon Street Boston, MA 02108**

Andris Silins, Chairman

Paul T. Hynes, Appointed Member

Antonio Torres, Elected Member

Michael Fitzmaurice, Elected Member

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Joseph M. Petty, Executive Secretary

Listing of Check and Vouchers for the meeting September 11, 2018

<u>Name</u>	<u>Voucher #</u>	<u>Amount</u>	<u>Comment</u>
Paul T. Hynes	2018078	\$ 250.00	Stipend
Andris Silins	2018079	\$ 250.00	Stipend
Michael Fitzmaurice	2018080	\$ 250.00	Stipend
Antonio Torres	2018081	\$ 250.00	Stipend
Ping Yin Chai	2018082	\$ 250.00	Stipend
CliftonLarsonAllen	2018083	\$ 3,000.00	Final Bill for 2017 Audit
Boston Retirement Board	2018084	\$ 26,012.46	Trans.-Courtney(Curran)Trudell
MACRS	2018085	\$ 640.00	Registration Fee/Petty,Shinnick
City of Taunton Retirement	2018086	\$ 13,554.58	Trans-Mayungbe Adeniyi

<u>Fees paid via Non-managed account</u>	<u>Amount</u>	<u>Comment</u>
Meketa Investments	\$ 6,875.00	August 18 Consulting Fee

<u>Retirements</u>	<u>Monthly Amount</u>	<u>Date of Retirement</u>
August Pension Payroll	\$ 648,317.24	
PAI Services	\$ 774.35	
Transfer to Payroll Account	\$ 625,000.00	
Teresa Barros	\$ 4,102.95	8/04/2018
Mary Gonsalves	\$ 3,475.26	9/15/2018

<u>Refund</u>	<u>Amount</u>	<u>Date Paid</u>
Enrique Perez	\$ 42,784.19	9/30/2018

Andris Silins - Board Chairman

Ping Yin Chai - Appointed Member

Michael Fitzmaurice - Elected Member

Antonio Torres - Elected Member

Paul T. Hynes - Member Appointed by Other Members

Joseph Petty - Executive Secretary