MWRA EMPLOYEES' RETIREMENT BOARD MEETING
JANUARY 25, 2024

A regular meeting of the MWRA Employees' Retirement Board was conducted in-person on Thursday, January 25, 2024. Remote access was provided to the public via Zoom, with call-in information provided on the official Meeting Notice posted to www.mwraretirement.com and the MA Secretary of State's website. Present at the in-person meeting were Board members Matthew Horan, Kevin McKenna, Frank Zecha, and James Fleming, staff members Carolyn Russo, Julie McManus and Danielle DiRuzza, and Sebastian Grzejka representing NEPC. Mr. Brian Peña joined via remote participation. Members of the public also attended via remote access. Mr. Fleming called the meeting to order at 10:00 a.m.

1) Call the meeting to order-roll call of members: Mr. Horan, Mr. McKenna, Mr. Peña, Mr. Zecha, and Mr. Fleming present.

   Mr. Fleming cautioned that Massachusetts is a two-party consent state for recordings, and stated that it is not permissible to record without the consent of the Chair.

2) Standing Committee Reports

   i. By-Laws Committee: No report
   ii. Human Resources Committee: No report
   iii. Special Committee, Stipend: No report
   iv. Job Review Committee: No report

3) Approval of Minutes – VOTE

   a) December 14, 2023
   b) January 11, 2024

      On a motion made by Mr. Zecha and seconded by Mr. Horan:
      VOTED
      to approve the Minutes of the December 14, 2023 meeting. 5-0, with Mr. Horan voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

      On a motion made by Mr. McKenna and seconded by Mr. Zecha:
      VOTED
      to approve the Minutes of the January 11, 2024 Special Meeting. 5-0, with Mr. Horan voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

4) Approval of Warrants – VOTE

a) Warrant 01-2024
b) Warrant 01-2024A – Payroll

On a motion made by Mr. Horan and seconded by Mr. Zecha:
VOTED
to approve Warrant 01-2024. 5-0, with Mr. Horan voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

On a motion made by Mr. Zecha and seconded by Mr. Horan:
VOTED
to approve Warrant 01-2024A. 5-0, with Mr. Horan voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

5) Approval of Monthly Transfers 01-2024 – VOTE

On a motion made by Mr. Zecha and seconded by Mr. McKenna:
VOTED
to approve the monthly transfers for January. 5-0, with Mr. Horan voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

6) Acknowledgement of retirement applications under G.L. c 32 §5 – VOTE

a) Emily Dallman DOR 12/9/2023
b) Brian George DOR 12/9/2023
c) Jean Whyte DOR 12/16/2023

On an omnibus motion by Mr. McKenna and seconded by Mr. Horan:
VOTED
to acknowledge the section 5 retirements as listed. 5-0, with Mr. Horan voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

7) Approval of October 2023 Bank Reconciliation – VOTE

a) November 2023
b) December 2023

On an omnibus motion made by Mr. McKenna and seconded by Mr. Zecha:
VOTED

to approve the Bank of America reconciliations for November and December 2023. 5-0, with Mr. Fleming voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Zecha voting yes, and Mr. Horan voting yes.

8) Approval of Curtis Fahey's buyback of 6 months of Salem State University employment – VOTE

9) Approval of Gina's Mician buyback of 5 months of the Town of Tewksbury employment – VOTE

10) Approval of Brian DeMeo, Jr's buyback of 5 months of the Town of Norwood employment – VOTE

11) Approval of Brian DeMeo, Jr's buyback of 3 months of the Department of Fish and Game employment – VOTE

On an omnibus motion made by Mr. Zecha and seconded by Mr. McKenna:

VOTED

to approve the four buyback requests labeled as items numbered eight through eleven. 5-0, with Mr. Horan voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes. Mr. McKenna asked how the interest rate is determined if the employees are purchasing service from when the rate was higher. The Executive Director responded that PERAC's Actuary has taken the position that we should use the rate as of the most recent actuarial valuation, although in some cases it would be half the actuarial rate that would apply.

12) Acceptance of Section 7 Retirement Application re. Gary Nee – VOTE

On a motion made by Mr. McKenna and seconded by Mr. Zecha:

VOTED

to accept the application of Gary Nee for accidental disability retirement, and to petition PERAC for the appointment of a medical panel. 5-0, with Mr. Horan voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

Because the Board was ahead of schedule, the Chair moved ahead to item 15.

13) NEPC

a) Flash Report as of 12/31/23
b) Large Cap Value Search Summary Results
   (i) 2022 Calendar Year Ranks
   (ii) 2023 12 Trailing Ranks
c) Rebalancing Recommendation – VOTE

Mr. Grzejka presented the Flash report. He reported that 2023 had a strong finish after a choppy year. The large cap portfolio came in at 21.5% for the year. All of the non-US managers have participated in the bounce-back, with non-us coming in at 11% for the year. A shift in rates has benefitted the fixed income managers. The portfolio was up overall 7% for the year, with Garcia Hamilton up 7.8% for the quarter, to end the year at 4.8%. Hedge Funds, Real Estate and non-PRIT private equity have not yet reported December numbers. The System is once again "knocking on the door" of $700m. Mr. Horan stated that after looking at Rhumbline's fees and performance, he is wondering whether it is worth it to have active management in the large cap space as part of the asset allocation, and the question becomes how to reallocate the funds if the active managers are eliminated. Mr. Zecha asked about NEPC's outlook for Garcia Hamilton. Rates have posed headwinds for Garcia. On a forward-looking basis core bonds and US Equity are likely to be at parity, and there is no longer a significant advantage to overweighting equities. Mr. McKenna asked about Baillie Gifford's underperformance, particularly over the three-year period. Mr. Grzejka stated that Baillie Gifford is a growth-oriented manager. They pick names that are likely to grow, and are expected to have good results over the long term. They are clawing back some losses from the 2022 growth pullback, but remain behind the benchmark since-inception. Mr. McKenna stated that it appears that Baillie Gifford held onto names through the downturn, and Mr. Grzejka concurred, because there was long-term conviction in the businesses.

Attorney Gibson signed onto the call at 10:18 a.m.

> On a motion by Mr. Zecha and seconded by Mr. McKenna:
> **VOTED**
> to return to agenda item 13, the hearing on the accidental disability retirement application of Joseph Farino. 5-0, with Mr. Horan voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

14) Joseph Farino Section 7 Retirement Review

> On a motion by Mr. McKenna and seconded by Mr. Horan:
> **VOTED**
> to convene in Executive Session under Purpose 7 to conduct the hearing on the accidental disability retirement application of Joseph Farino. 5-0, with Mr. Horan voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

The Board convened in Executive Session at 10:21 a.m. A breakout room was established, and all non-parties were removed from the virtual proceedings. Discussion began at 10:25 a.m.

On a motion by Mr. McKenna and seconded by Mr. Horan:
VOTED
to return to open session. 5-0, with Mr. Horan voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes. The Board returned to open session at 10:36 a.m.

Upon the Board's return to open session, the Chair announced that in Executive Session the following vote was taken.

On a motion by Mr. McKenna and seconded by Mr. Horan:
VOTED
to approve the application of Joseph Farino for accidental disability retirement based upon the affirmative findings of the medical panel, and to submit the application to PERAC for final approval. 5-0, with Mr. Horan voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

Attorney Gibson reported that the pre-hearing memorandum is due soon in the matter of Dennis Vargus. The case will proceed based upon written submissions only, so the decision should be issued more quickly than in those cases requiring a hearing.

Mr. Gibson announced that PTG is pursuing litigation vs. Baystate in regard to intellectual property.

The Office of the Inspector General issued an advisory on controls in regard to the Quincy Retirement System's loss of $3.5m. Mr. Zecha responded that MWRAERS' cash is consistently balanced through prior month-end and that the controls established by the Executive Director well in advance of the Quincy incident serve as a model for retirement systems' controls.

PERAC has determined in regard to rehired annuitants that for members re-hired to a governmental unit applicable to the retirement same system, no OBRA withholding is required. However, if the retiree is hired to work for a governmental entity different from the one from which he or she retired, then OBRA withholding would be mandated.

The Magistrate reviewing whether use of sick pay constitutes regular compensation has requested additional information from the Board and from PERAC. It would appear that some distinction may be drawn between employees who use sick time while active, as opposed to those who use it while on leave either due to illness or injury. Mr. Zecha commented that *Vernava* was a bad decision, and has led to the instant cases seeking to change the treatment of earned time used by public employees.

Mr. McKenna asked about the status of Capozzi. Attorney Gibson stated that DALA has begun to “triage” single-issue cases, and that he is hopeful the Board will see a decision in the spring.

Attorney Gibson signed off the call at 10:45 a.m.

14) Large Cap Value Manager Search Presentations

a) Newton Investment Management/Brian Ferguson & Jon Ritz
b) Dodge & Cox/Deirdre Curry
c) Aristotle Capital Management/Aylon Ben-Shlomo & Keri Hepburn
d) Seizert Capital Partners/Tom Kenny, Andy Jones, & Chris Heatley

Mr. Brian Ferguson and Mr. Jon Ritz joined the call representing Newton. Mr. Grzejka stated that there are members of the public on the call and cautioned the presenters against disclosing any materials which may be considered proprietary. Mr. Ritz thanked the Board for the opportunity and stated Newton is experienced with PERAC clients, and is currently serving four MA public fund systems, one in the large cap value strategy. Mr. Ferguson referred the Board to page 3 for four reasons to hire Newton: the long-term tenure of the team, the depth and breadth of research, the repetitive process of seeking alpha through valuation, strong fundamentals, and catalyst-driven momentum, and three layers of risk management infrastructure consisting of the large cap value team, the independent risk team, and the quant team. There is just over $8bn in the large cap value strategy, but the fund remains nimble. The team is local. Page 10 shows strong returns over all periods. The goal is positive performance over a cycle, with outperformance over time. Page 11 shows the growth of the large cap value strategy as compared to the Russell 1000 value over time. Page 12 reiterates Newton’s differentiators. In regard to catalysts, the team looks at all causes of potential disruption, good and bad. Newton takes some unusual approaches, including hiring a former investigative journalist, because the skills have proved valuable to the team. They start with the value universe, then build on it while maintaining “style purity.” They screen for catalysts in order to capture alpha through active management. Mr. McKenna noted that the returns provided in the deck were as of December 31, and asked what the exposure was to the “magnificent 7” (i.e. Amazon, Apple, Alphabet, Meta, Microsoft, Nvidia, and Tesla) over time, and how the returns were generated. Mr. Ferguson stated that over all periods the strategy has adhered to large cap value only. He noted the only FANG stock (Facebook(Meta), Amazon, Netflix, Google (Alphabet)) currently held is Alphabet. Meta came into the index in 2022, and a very small position was held. Mr. Ferguson and Mr. Ritz thanked the Board and signed off at 11:02 a.m.

Representative Ms. Deidre Curry from Dodge & Cox joined the call at 11:03 a.m. Mr. Grzejka stated that there are members of the public on the call and cautioned Ms. Curry against disclosing any materials which may be considered proprietary.

Ms. Curry thanked the Board and directed the members to page 4 of the presentation. Dodge & Cox has an over 90-year history. The firm was founded in 1930, its leadership is in its sixth generation, and the firm remains independent and employee-owned. Sometimes value is out of favor. It is important to have a firm that works for its clients, not for shareholders. The firm's independence helps attract top-tier talent. The team takes a long-term view, seeking names that are temporarily out of favor. At the end of 2023, AUM stood at $363bn. The Stock fund held $101bn in assets. Dodge & Cox has no Real Estate or Hedge Funds; they focus on long-term appreciation. The firm consistently evolves its investment capabilities globally, as demonstrated on page 6. Favorable valuation matters. The depth of the research team is shown on page 7. The team has an average of 21 years of experience, and engages in collective, consensus-driven decision making. The team seeks value-oriented names with a 3-5 year horizon low valuation, and good fundamentals. Page 8 describes the selection process, and the principles underlying the building of the portfolio. Page 12 provides performance history over the last 20 years, and demonstrates outperformance over all periods over the Russell 1000 Value Index. The fund holds four of the "Magnificent 7" but has been underweight defensive sectors, which is also a function of the pricing/valuation discipline. Dodge & Cox is optimistic about new attractive opportunities. The stock fund has 75 holdings, and the top ten are shown on page 13. Mr. Horan noted that it seems Dodge & Cox moves in and out of sectors, and asked how quickly these moves take place. Ms. Curry responded that they can happen daily if the consensus is there. However, portfolio turnover is relatively low, around 20%, because of the high 3-5 year conviction required to buy a position. Analysts do research over time, so moves can happen quickly. Meta was purchased in 2020 at a low price point. Once the decision is made, the purchase happens quickly. The fund managers "eat what we cook," meaning they have a vested interest in the fund's results. Page 15 shows a comparison of Dodge & Cox to peer funds. Mr. Grzejka asked Ms. Curry about fees. She responded 51bps, or a 48bps fee on a separately managed account which requires a $60m minimum investment. Ms. Curry thanked the Board and signed off the call at 11:22 a.m.

Mr. Horan stepped out of the meeting at 11:22 a.m.

At 11:23, Ms. Keri Hepburn and Mr. Aylon Ben-Shlomo joined the call representing Aristotle. Mr. Grzejka stated that there are members of the public on the call and cautioned the presenters against disclosing any materials which may be considered proprietary.

Mr. Horan returned to the meeting at 11:24 a.m.

Ms. Hepburn stated that Aristotle currently has $52.8bn AUM and an over 20-year track record with the focused value, low turnover, highly active, research-driven portfolio. She directed the Board to page 4 of the presentation for a representative listing of clients, including 15 MA Systems which provided written permission to be included. Mr. Ben Shlomo directed the Board to page 5, which shows the global research team. The firm culture is rooted in private ownership mentality. The research team seeks to understand the businesses, rather than to pick stocks well. If they do this well over the long term, the stock prices will follow. The team is stable; Aristotle has lost only two analysts since 2010. The four pillars of the firm philosophy are described on page 6: high quality, global perspective, long-term view, and focused but diversified portfolios. The long-term view lowers turnover, which is about 10-15%. The process to analyze a business consists of identifying high quality names with attractive valuations and compelling catalysts. It's not enough to be right, because that will generate market-like returns; they have to be different. Analysts use the "so what" or "who cares" test, i.e. if the business went under, who would notice or care, and are there ready, equivalent options available requiring minimal transition. Aristotle seeks good businesses about to become great, based on catalysts over which management has control. They are looking for business-specific changes expected to move the business forward. US Bank, as an example, is a top-five bank with large amounts of fee income from credit card payments. Some managers use quantitative screens, which will herd everyone in the same direction. Aristotle spends more time on the qualitative side of the data, to screen names in, rather than out. Aristotle is, therefore, not as concentrated in sectors as its peers. Page 16 shows performance since inception (2001). Page 19 shows that Aristotle provides greater downside protection over the three- and five-year periods time as compared with the Russell 1000 Value Index, which has a meaningful impact on performance. The fee is 39bps all-in for risk-qualified plans. Ms. Hepburn directed the Board to page 17 to demonstrate what happened in 2022, and what changed in 2023. Mr. Ben-Shlomo described a perfect storm of Russia's invasion of Ukraine and a shift in commodity prices, so lower quality performed well. High quality/low turnover as a strategy performs poorly in a sudden reversal. Aristotle's focus is on the long term. There is some materials and commodity exposure. Mr. McKenna asked if Aristotle maintained its positions in the downturn due to conviction, and Mr. Ben-Shlomo responded affirmatively. Ms. Hepburn and Mr. Ben-Shlomo thanked the Board and signed off the call at 11:43 a.m.

Mr. Zecha stepped out at 11:43 a.m.

At 11:44 a.m. Mr. Tom Kenny, Mr. Andy Jones, and Mr. Chris Heatly joined the meeting representing Seizert. Mr. Grzejka stated that there are members of the public on the call and cautioned the presenters against disclosing any materials which may be considered proprietary.

Mr. Zecha returned to the meeting at 11:44 a.m.

Mr. Kenny began that Seizert's goal is to protect plan assets over the long term. They have 14 years of experience with MA pension plans. Page three describes firm philosophy to preserve and compound clients' capital over the long-term by focusing on undervalued businesses. As shown on page 4, the firm's investment process is intended to identify good long-term businesses that have fallen out of favor with the market. Analysis is based on valuation, financial strength, and management behaviors. The portfolio is built around price targets and fundamental data. Seizert's seeking inexpensive companies with good management teams. Mr. Jones directed the Board to page 5. The Valuation, Quality, and Market Reaction data comes in daily. Mr. Kenny and Mr. Jones evaluate the data independently. They want to know how the business executes, whether they are consistent, and what the driving force is. They read all management reports looking for proof of concept. Both must be in agreement before a name will be in the portfolio. The portfolio construction model is shown on page 7. What will the value of the business be in 3-5 years from now? On the left side, the model uses probability-weighted targets to guide entry point and position size. The right side shows the sell discipline, if fundamentals change, if the price target is met, if a better opportunity arises, if red flags appear, or if the purchase is later deemed a misjudgment. Most sales are trading resulting from attainment of price targets. Page 8 shows performance vs. the Russell 1000 Value Index, and page 10 shows that purchases are made at lower price points relative to the market. The fund has 92% downside capture with 107% upside capture. Mr. McKenna asked whether the fund contains "Magnificent 7" exposure, and what the remaining names not shown on page 10 are. Mr. Kenny stated that there are small positions in Meta and Apple. He will share the holdings, there are 37 positions currently. Mr. Grzejka asked Mr. Kenny to describe how Seizert's being a boutique firm benefits clients. Mr. Kenny responded that public funds are a big part of the concentration, and MWRAERS would be a meaningful client. The firm doesn't market much and relies on client referrals. The portfolio management team will remain accessible to the client. Mr. Horan asked about the fees. Mr. Kenny responded that $25m or less would be 50 bps, over $25m would be 40bps. Seizert thanked the board and signed off at 12:02 p.m.

The Board moved to discussion of Item 15(b), NEPC's Large Cap Value Search Summary results. Mr. Horan asked Mr. Grzejka what are the Boards top three considerations in making a selection. Mr. Zecha responded product performance, price and service would be his. Mr. Horan asked if size/concentration should be a concern. Mr. Grzejka acknowledged it should be a consideration. He noted that the Board should look for a zig and a zag within the US large cap portfolio, as it had with Coho and Polen. The selected fund should behave differently from the index. The risk/return analysis for the 3, 5, 7, and 10 year periods are on pages 19-22. Value's returns should be different from growth's. Convergence may indicate overlap. Dodge & Cox and Newton may not be able to continue performing at the recent level. The Board has seen this sort of outgrowth before, and wants to avoid buying into a fund at a high, then riding it down. Mr. Zecha asked about the third quarter returns. Mr. Grzejka stated they were down slightly but have otherwise been pretty consistent. The entry point is important, as is the risk being assumed. Mr. McKenna asked if there would be no more Large Cap Growth manager, and Mr. Grzejka stated that right now there is so much overlap with the index that the question becomes whether the active management fee is justifiable. We have five good Large Cap Value options. Coho's performance was not strong last year, but they did exactly what they were hired to do over the long term. The question becomes who might be the best complement to the index. Aristotle has a good blend, with only a small position in Microsoft. Seizert's offering is more of an all-cap approach, but the concern is that half of the assets are from a single client. Dodge & Cox is massive with a 70-year value track record. It is core-ish with some S&P exposure. Newton has low turnover, and is the most diversified. The issue is that returns tend to converge to the mean over time, and Newton and Dodge & Cox have outperformance that may not be sustainable. The Board must consider how the manager fits in the portfolio over all. Mr. McKenna stated he is concerned with what are we spending and what are we getting in return. Mr. Grzejka stated that approximately 53bps seems to be a standard fee for the universe, and that anything less effectively adds to performance. Mr. Horan asked about the Russell 1000 Value index, since returns are expected to converge. Mr. Grzejka commented that Aristotle has outperformed the index, but last year (2022) was a different story, and next year (2024) could be a different story. Aristotle has had good absolute and relative returns since 2015. Coho has adhered to the value style, but that will hurt when value is out of favor. Mr. Horan asked if in hiring whether the long-term numbers would matter more, and Mr. Grzejka concurred. Coho provided the most downside protection among the group over the long term. All had a decent information ratio, which indicates that the risk taken is compensated in the form of returns. Newton is a little different stylistically. All are strong, but what is the edge? Mr. Grzejka broke the decisions down to:

1) What is the right active/passive mix?
2) What to do with Coho and Polen? and
3) If Coho and Polen are gone, then who is the replacement?

Right now, the mix is roughly 60/40 Active/Passive. Mr. Horan commented that Aristotle seems best overall. Mr. Fleming agreed. Mr. Grzejka concurred that their performance has been good overall, and their fee is lower than the others'. Mr. Fleming expressed concern that Aristotle is headquartered in California, but Mr. Grzejka stated they do have a local office.

On a motion by Mr. Horan and seconded by Mr. McKenna:
VOTED
to hire Aristotle as the Large Cap Value manager. 5-0, with Mr. Horan voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

Mr. Grzejka then moved to the question of what to do with the current managers. Polen's performance can be captured through the index, at a much lower fee. Mr. McKenna stated he still thinks the portfolio needs downside protection, and asked if it would be appropriate to keep a small allocation with Coho. Mr. Grzejka stated a reduced size allocation would dilute any impact on the portfolio. Mr. Zecha made a motion, seconded by Mr. Horan, to allocate the US Large Cap portfolio to Rhumbline S&P 500 Index and Aristotle, and to eliminate Coho and Polen. Mr. Horan asked if Polen's fee is 50bps, and Mr. Grzejka responded affirmatively. Mr. Grzejka continued that Polen overlaps with the index, so the downside protection piece is the concern, and Coho did provide protection. In 2022 when Polen was down 38%, the S&P was down 18%, and the Russell 1000 Value was down 7.5%, Coho was down 4.2%. Mr. Horan asked if Aristotle has shown good long-term results, and Mr. Grzejka stated that they have, but will not protect as well as Coho on the downside. Mr. Horan noted that Arisotle's lower fee provides somewhat of a buffer. Mr. McKenna asked what if a Board member wants to retain one of the two. Mr. Fleming stated that the motion currently on the floor would need to be amended. Mr. McKenna cautioned against "throwing the baby out with the bathwater" and stated Coho was the best performing manager when the markets were down. Mr. Horan responded that the Board shouldn't base the decision on one year's performance, and needs to look at long-term results. Mr. McKenna stated that this year may be bumpy, and made a motion, seconded by Mr. Fleming, to retain a position with Coho. Mr. Zecha stated he would be voting no to the amendment. Where the index is the manager is, PERAC's fee report shows the System is paying comparatively more in fees, and the fees will be reduced with their elimination.

> On a motion by Mr. McKenna and seconded by Mr. Fleming:
> **VOTED**
> to amend the motion to eliminate Coho and Polen to instead eliminate Polen but retain a position with Coho in order to provide downside protection. 2-3, the motion to amend fails, with Mr. Fleming voting yes, Mr. McKenna voting yes, Mr. Peña voting no, Mr. Zecha voting no, and Mr. Horan voting no.

> On the original motion by Mr. Zecha and seconded by Mr. Horan:
> **VOTED**
> to allocate the US Large Cap portfolio to Rhumbline and Aristotle, and to eliminate Coho and Polen. 3-2, the motion prevails, with Mr. Peña voting yes, Mr. Zecha voting yes, Mr. Horan voting yes, Mr. McKenna voting no, and Mr. Fleming voting no.

Returning to Item 15 (c), Mr. Grzejka stated that he had made the rebalance recommendations prior to the Board's vote to eliminate both Coho and Polen from the portfolio. It would now be his recommendation to table the recommendations pending the asset allocation discussion in February, while we await PERAC's acknowledgment for the new investment in Aristotle, and while the Executive Director completes the subscription documents. He stated that he believes cash is at $19m, and asked the Executive Director to confirm whether the cash would be sufficient. She said she expects it will be, and noted that $4m of the $19m would be gone to payroll and accounts payable in the next few days.

On a motion made by Mr. Horan and seconded by Mr. McKenna:
VOTED
at the recommendation of NEPC to table the monthly transfers for January. 4-1, with Mr. Horan voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Fleming voting yes, and Mr. Zecha voting no.

Through the Chair, the Executive Director reported that although the Board decided at the Special Meeting on January 11, 2024, as indicated in the minutes, that Dahab, Meketa, NEPC and Verus would be called in for interviews as finalists in the Consulting Services search, due to an oversight, a formal vote was not taken.

On a motion by Mr. McKenna and seconded by Mr. Horan:
VOTED
to formalize the decision made at the January 11, 2024 Special Meeting to call in for interviews Dahab, Meketa, NEPC and Verus as finalists in the Consulting Services search. 5-0, with Mr. Horan voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

The Executive Director then requested a consensus from the Board in regard to scheduling for the interviews. Mr. Fleming suggested the regular February meeting, but the Executive Director reminded the Board that the Asset Allocation meeting is already scheduled for February, and in the event the Board were to select a new Consultant at the February meeting, it would not be practicable to then hold the asset allocation discussion at the same meeting. She reminded the Board that the Actuary needs the Asset Allocation to move forward with the Valuation and Segal's portion of the ACFR. Any delay in the Asset Allocation will therefore delay the funding schedule, which is needed in a timely manner for the Authority's budgeting purposes. The Board members concurred a special meeting is the best option, and agreed all would be available on February 7, 2024 at 10:00 a.m. for a remote meeting. Mr. Horan offered to host. The Executive Director will contact the firms to assign times, and get the list of attendees to Mr. Horan.

On a motion made by Mr. Zecha and seconded by Mr. Horan:
VOTED
to adjourn the January 25, 2024 meeting of the MWRA Employees' Retirement Board. 5-0, with Mr. Horan voting yes, Mr. McKenna voting yes, Mr. Peña voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes. The meeting was adjourned at 12:47 p.m.

The following communications were distributed to the Board for review:

PERAC MEMO #28/2023 – 2023 Disability Data Changes
PERAC MEMO #29/2023 – Tobacco Company List
PERAC MEMO #30/2023 – Mandatory Retirement Board Member Training – 1st Quarter 2024
PERAC MEMO #1/2024 – 840 CMR 10:10(3) & 10:15(1)(c) - Annual Review of Medical Testing Fee
PERAC MEMO #2/2024 – 2024 Interest Rate set at 0.1%
PERAC MEMO #3/2024 – Required Minimum Distribution: Now Age 73 for This Year's Notifications
PERAC MEMO #4/2024 – 2024 Limits under Chapter 46 of the Acts of 2002
PERAC MEMO #5/2024 – 2024 Limits under Section 23 of Chapter 131 of the Acts of 2010
PERAC MEMO #6/2024 – COLA Notice
PERAC Pension News December 2023

The Board reserves the right to consider items on the agenda out of order. The listing of items is those reasonably anticipated by the Chair to be discussed received at least forty-eight (48) hours prior to the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law. Items identified for discussion in Executive Session may be conducted in open session, in addition to, or in lieu of discussion in Executive Session. Date of next scheduled regular Retirement Board meeting is Thursday, February 29, 2024, 10:00 a.m., Chelsea, MA. A Special Meeting will be held February 7, 2024 at 10:00 a.m. for the purpose of conducting Consulting Services interviews.

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James Fleming, Chair

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Matthew Horan Appointed Member

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Kevin McKenna, Elected Member

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Brian Peña, Ex Officio Member

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Frank Zecha, Fifth Member