

**MINUTES OF THE MEETING
OF THE
MASSACHUSETTS CONVENTION CENTER AUTHORITY
RETIREMENT LIABILITY TRUSTEES MEETING
August 8, 2024**

A meeting of the Retirement, Liability, Trustees Meeting of the Massachusetts Convention Center Authority was convened on August 8, 2024 at 1:30 pm. The meeting was held at the MCCA's Boston Convention & Exhibition Center (BCEC) in Conference Room C.

Trustee Members in attendance were: Chairperson Gloria Larson, Michael Rodino, JeanneMarie Joyce, Lily Daley and David Silk. Yuisa Perez was not in attendance. Also attending was Stephen MacClellan, Managing Principal at Meketa Investment Group, Mary Mustard, Managing Principal/Consultant at Meketa Investment Group and Lauren Giordano, Research Analyst at Meketa Investment Group.

I. ROLL CALL

The meeting was called to order at 1:33 p.m., and a quorum was established by a call of the roll.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Following their review of the minutes of their last meeting on May 17, 2024, a motion was made by Gloria Larson to approve the minutes, seconded by David Silk. Upon roll call, the trustees unanimously adopted the minutes.

III. CUSTODIAL BANK RFP UPDATE

Mr. Rodino thanked and introduced the Meketa team who led the RFP process. The due date for submissions was July 7, 2024 and Meketa only received one proposal from the incumbent firm, Wilmington Trust. Since only one response was received, the Trustees were posed three options as to how to proceed; 1) accept the results as is and award the contract to Wilmington Trust, 2) push the RFP out further to see if the additional time would generate more results or 3) sign a 1 year agreement and go out to bid again next year in hopes of gaining more responses.

Ms. Larson asked if Meketa had any ideas about the marketplace and why we only received one bid. Mr. MacClellan indicated that the RFP was out on the street for a long period of time; more than normal pension funds which usually go out for two weeks; this RFP was out for almost a month. Feedback from other firms indicated that the size of the trust was too small (rebidding would not be able to do anything about that), confusion around, regulatorily where the trusts sit, and finally, the current custodian is a very strong custodian and they are hard to compete against. In terms of cost, it has to be a material reduction in the costs to make it compelling to make a switch.

After additional discussion, Mr. Rodino, suggested that the Trustees could consider entering into a shorter-term contract three (3) years with additional 2, 1-year extensions at the Trustee's discretion.

Mr. Silk asked if a three contract is consistent with other pension systems; we don't want to be an outlier. Mr. MacClellan indicated in his experience that a 3-year contract is actually short; most of his clients do 5- or 7-year contracts.

Ms. Joyce was asked her comfort level and she indicated that she is comfortable with a 3-year contract.

The Meteka team left the meeting

IV. GASB 68 AND GASB 74 OPEB LIABILITY UPDATE

Mr. Rodino provided an update on the GASB 68 and GASB 74 liabilities as of June 30, 2024. OPEB liability is mandated by GASB 74 and the valuation was prepared by Odyssey Advisors, who is in the last year of their contract. The FY24 valuation was a "roll-forward" valuation allowed by the standard which means the prior year valuation was updated using roll-forward techniques to measure the liabilities as of the measurement date rather than conducting a full-blown valuation. The OPEB valuation results were a total liability of approximately \$21 million with assets of approximately \$20 million resulting in a net OPEB liability of approximately \$858K compared to FY23 amounts of \$22 million; \$18 million and \$4 million, respectively, from the prior year. The net OPEB liability decreased by approximately \$3.2 million, mainly as a result of an increase in the discount rate from 5.24% to 6.36% which was determined by using the long-term expected rate of return of all OPEB plan investments. In addition, there was an increase in plan assets of over \$1 million. No questions from the Trustees.

Mr. Rodino continued to discuss the GASB 68 pension liability. The pension liability is calculated by and distributed from the Office of the Comptroller after being audited by their independent auditors. The Authority's pension liability is calculated as percentage of the Authority's payroll to the entire payroll of all participating entities in the State Employees Retirement System. The pension measurement date is June 30, 2023 which is allowed by the Standards. The net pension liability is reported as of June 30, 2023 while the pension assets are measured as of June 30, 2024. Our pension liability increased to \$40.7 million from \$35.9 million in the prior year. The main drivers of the change was that the Commonwealth updated their mortality assumption which increased the total pension liability by approximately \$110 million, along with an increase in the Authority's proportionate share from 0.25870% to 0.27748%.

Mr. Silk asked if being overfunded really helps anything. Mr. Rodino indicated that the pension assets are not being used to pay pension benefits; but instead, are using these assets to pay the current year pension expenses.

V. OLD BUSINESS

There was no new business.

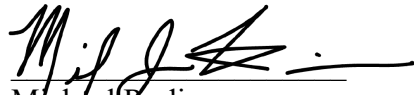
VI. NEW BUSINESS

There was no new business.

VII. ADJOURNMENT

Upon a motion by Gloria Larson, seconded by David Silk, a motion was made to adjourn the meeting. Upon roll call the motion was unanimously approved and the meeting was adjourned at approximately 2:10 p.m.

Attest:

A handwritten signature in black ink, appearing to read "Michael Rodino", written over a horizontal line.

Michael Rodino
Interim Chief Financial Officer

Dated: September 10, 2024