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THE MINUTES
OF THE
REGULAR MONTHLY MEETING
OF THE
CONTRIBUTORY RETIREMENT BOARD
OF THE
TOWN OF BELMONT

FEBRUARY 28, 2011

The meeting was called to order by Chairman Roy Sacco at 8:30 A.M. in Conference Room #2, Town Hall, Belmont, MA. Members present were:

Rosario Sacco, Chairman	Tom Gibson, Vice-Chairman
Barbara Hagg, Ex-Officio	Walter Wellman, Elected
Peter Palandjian, Appointed	

Also present was Attorney James Quirk who spoke on the following PERAC MEMO's

- a.#8 Investment Manager List
- b.#9 Tobacco Company List
- c. #12 2011 Limits under Section 23 of Chapter 131 of 2010
- d. PERAC's Proposed Federal Legislation – Funding Schedules
- e. A proposed renewal of Consulting Contract with NEPC, LLC – The Board had a few questions and Mr. Quirk will discuss them with NEPC. The Board wanted to know If the Contract could state that Doug Moseley would be our contact at NEPC and that he be required to attend our meetings.
- f. Articles on Pensions – Moody's to Factor Pension Gaps in States Rating
- g. Message to Feds: Leave Public Pensions alone
- h. Case dealing with CRAB – 30A Sec.11 – Give notice of Appeal Rights

Discussion and vote on granting a COLA to eligible retirees was opened. Retired Firefighter Frizzell Spoke about the reasons he became a Firefighter. He left a job to work as a Firefighter because he Knew he would have certain benefits when it came time to retire. He said Social Security didn't do their Job. Their money was given to other funds.

Board Member Tom Gibson explained Social Security and their benefits and when they give a COLA it is based on the whole allowance. The COLA given by our system is only calculated on the first \$12,000 of a retiree's annual pension. He explained the CPI. Retirees spend more health insurance and are unable to buy groceries and heating oil, which are 10 to 20% higher than last year. We can support changes in the law.

Chairman Sacco explained that up to the early 1980's, the Town took all the Excess Earnings from the Retirement System. If the System had been able to invest this, our funded ratio would be close to 100%. The 3% COLA would be less than \$1.00 per day. We have a fiduciary duty. 70% of our Fund is employees money. Last year we earned 13.9%. In 2009 we earned 26%, exceeding the PRIT Fund.

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Mr. Roger Colton, a Town Meeting Member from Precinct #6 attended the meeting and read a letter that he sent to the Board in opposition to granting a COLA. He stated his reasons for the Board not to grant a COLA this year, explaining that the local budget cuts are expected. The Board explained that their earnings over the last 10 years has exceeded the State System and the cost of health insurance increase's every year as well as food, housing and all other expenses.

Walter Wellman made a motion, it was seconded and it was unanimously VOTED to grant a 3% Cost of Living increase to eligible retirees effective July 1, 2011. The Board was unanimous and supported the reasons given by Tom, Walter and Roy. Barbara applauded everything that was said, and believes the retirees deserve this minimal increase.

Tom said the Board is truly sensitive to Mr. Colton and the Town's position, their comments have not gone on deaf ears. We have reduced our the Town's assessment to the Retirement System three time over the last few years. We have met with the Warrant Committee and are willing to work with the Town.

Barbara told the Board that Tom did a great job at the Warrant Committee meeting. Doug and Scott from NEPC and David Driscoll from Buck and Chairman Roy Sacco also participated. voted 3/31/11

Scott Driscoll of NEPC gave out the Fourth Quarter Investment Review. He explained that investors face a lower market return in 2011. A 5% to 7% return forecast. Reduce every asset class about 7%.

Doug talked about the Real Assets Manager search. The Board has a decision to make about which of the two managers interviewed they want to hire. PIMCO and SSGA.

PIMCO is a fixed income type, more balanced. SSGA is less volatile. NEPC recommends going with PIMCO – 10% or \$6M.

A motion was duly made and seconded and it was unanimously VOTED to hire PIMCO as the Real Asset Manager.

Board Member Peter recommended more investment to PRIM Real Estate and AEW Real Estate. We may need a supplemental regulation, Mr. Quirk will look into it.

The Board thanked Doug and Scott for their expertise.

There was discussion on placing an Article in the 2011 Town Meeting Warrant to increase Section 101 survivor benefit, of Chapter 32 from \$6,000 to \$9,000. After discussion the Board felt it wise not to request this increase this year after the COLA discussion today. Jim said it was a wise decision. There are many Boards not going for it.

voted 3/31/11
Barbara said that Town Meeting ~~is now made up of young people and their main concern are the schools~~ members seem to be more education focused.

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Roy also felt we should wait another year to increase the base and Section 101. Walter felt that we should put it on the Warrant, this is our responsibility.

Tom said he doesn't know if Social Security will go up 5% or more. We should wait another year and may have a better chance. What is best for our retiree's. The Board agreed to wait another year.

A motion was made, seconded and it was unanimously VOTED to go into Executive Session to discuss Medical and disability issues. Mr. Sacco, yes, Mr. Gibson, yes, Ms Hagg, yes, Mr. Wellman, yes and Mr. Palandjian, yes.

After review of the three Medical Panel Doctors reports, all three answered yes to the three questions stating that the member is considered physically incapable of performing the essential duties of the job, said incapacity is likely to be permanent, said incapacity is causally related to the injury of March 6, 2008. Mr. Quirk reviewed the doctors reports and could see no reason not to grant the application. A motion was made, seconded and it was unanimously VOTED to grant Douglas Richardson, of the Electric Light Department an Accidental Disability Retirement.

Upon a motion duly made and seconded it was unanimously VOTED to approve the Minutes of the January 24, 2011 regular monthly meeting.

Upon a motion duly made and seconded it was unanimously VOTED to approve Warrant #1102 in the amount of \$939,507.23.

NEPC "Save the Date" – Wednesday, May 18, and Thursday May 19 2011 Annual Client Conference

Buck Consultants estimated cost of adopting increases in COLA base and amendment to Chapter 32, Section 101. (increase for certain survivors from \$6,000 to \$9,000).

Artio Global Investors newsletter
Artio January statement

AEW Global update

Delaware Investments December statement

Frontegra Funds December statement

Rothschild Asset Management Year End 2010 Market Review

Atlanta Capital Investment 4th Quarter 2010

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Upon a motion duly made and seconded it was unanimously VOTED to grant Superannuation Retirement to the following:

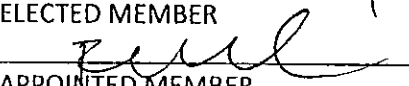
- A. Police Sergeant William Watkins, effective February 24, 2011, 33 years 6 months service ,Option C.
- B. Police Sergeant Gerard Greeley, effective March 9, 2011, 33 years 6 months service, Option C.

Upon a motion duly made and seconded it was unanimously VOTED to schedule the next regular monthly meeting for March 31, 2011

Upon a motion duly made and seconded it was unanimously VOTED to adjourn the meeting at 10:30 AM

A true copy

ATTEST:


CHAIRMAN
VICE-CHAIRMAN
EX-OFFICIO
ELECTED MEMBER
APPOINTED MEMBER

Town of Belmont Retirement Plan
Investment Performance "Flash" Report - Net of Fees
Periods Ending 2/28/2011

Target Weight In Fund	Weight	Last Month	Year to-Date	Last Year	Annualized Returns					Ending Market Value	Annual Fee
					Three Years	Five Years	Seven Years	Ten Years			
100.0%	100.0%	Composite - Net of Fees	2.1%	3.2%	17.3%	5.4%	6.6%	7.5%	6.3%	\$64,409,447	
		Policy Index	2.0%	2.9%	16.8%	3.0%	4.2%	5.2%	5.1%		
		Allocation Index	2.4%	3.6%	15.8%	4.5%	5.3%	6.1%	5.5%		
40.0%	44.4%	Total Domestic Equity	3.4%	6.6%	26.7%	5.1%	5.1%	5.3%	2.2%	\$28,611,335	0.70%
15.0%	17.1%	Atlanta Capital	3.3%	5.9%	24.9%	4.9%	4.0%	4.8%	1.0%	\$11,008,420	
15.0%	15.8%	Rothschild	3.4%	6.8%	20.5%	n/a	n/a	n/a	n/a	\$10,161,344	0.30%
		Russell 1000 Value	3.7%	6.0%	22.2%	0.2%	1.6%	4.4%	4.1%		
10.0%	11.5%	Atlanta Capital Small Cap	5.0%	5.2%	32.3%	12.7%	9.4%	10.4%	n/a	\$7,441,571	0.70%
		Russell 2000	5.5%	5.2%	32.6%	7.8%	3.8%	6.4%	7.1%		
12.0%	11.7%	Total International Equity	1.6%	0.8%	17.8%	-6.0%	1.6%	n/a	n/a	\$7,526,313	
12.0%	11.7%	Artio Global	3.3%	5.7%	20.0%	-2.0%	2.4%	0.7%	4.9%	\$7,526,313	0.90%
		MSCI EAFE After Taxes									
52.0%	56.0%	Total Equity								\$36,137,648	
23.0%	22.1%	Total Fixed Income	0.4%	0.9%	8.3%	11.2%	9.6%	7.7%	n/a	\$14,252,099	
20.0%	18.5%	Reams	0.3%	0.4%	4.9%	5.4%	5.0%	4.5%	5.0%	\$11,917,118	0.35%
		Banqueparibas Aggregate	0.5%	0.6%	6.7%	6.1%	8.5%	6.6%	9.2%	\$2,334,981	0.65%
3.0%	3.6%	Mondrian GFI	0.4%	0.4%	5.2%	4.2%	7.0%	5.4%	7.1%		
		Citi World Gov't Bond Index									
0.0%	2.2%	Total Balanced	1.9%	2.8%	18.1%	0.1%	4.1%	6.8%	6.2%	\$1,442,710	
0.0%	2.2%	Pension Reserves Inv. Trust Fund	2.0%	3.1%	13.9%	2.9%	5.6%	6.1%	6.0%	\$1,442,710	
		Global Balanced Index **									
8.0%	6.4%	Total Real Estate	0.0%	0.0%	n/a	n/a	n/a	n/a	n/a	\$4,141,278	
3.0%	1.5%	AEW Partners IV***	1.2%	2.0%	n/a	n/a	n/a	n/a	n/a	\$952,345	
5.0%	4.5%	PRIM Real Estate Fund	0.0%	0.0%	16.4%	-9.7%	-0.2%	4.5%	5.2%	\$3,188,931	
		NCREIF ODCE									
10.0%	8.3%	Total Hedge Fund	1.0%	1.8%	7.4%	-0.2%	3.1%	n/a	n/a	\$5,372,926	
10.0%	8.3%	PRIM Hedge Fund	0.0%	0.9%	6.9%	-1.7%	2.0%	3.5%	4.1%	\$5,372,926	
		HFRF Hedge FoF	0.3%	0.5%	3.1%	3.6%	5.3%	5.3%	5.3%		
		90 Day T-Bill + 3%									
7.0%	4.7%	Total Private Equity								\$3,002,124	
		Committed Capital									
		\$2,000,000									
7.0%	1.7%	HarbourVest	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$1,105,796	
		US Venture Economics Index	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
0.6%	0.6%	PRIT Vintage Year 2001	1.0%	1.4%	20.4%	-0.6%	14.6%	16.9%	n/a	\$401,424	
0.3%	0.3%	PRIT Vintage Year 2004	0.2%	0.3%	25.4%	4.6%	12.5%	n/a	n/a	\$221,622	
0.6%	0.6%	PRIT Vintage Year 2005	0.2%	0.7%	17.9%	0.7%	11.1%	n/a	n/a	\$413,395	
0.6%	0.6%	PRIT Vintage Year 2006	0.1%	0.1%	22.4%	3.2%	n/a	n/a	n/a	\$355,248	
0.4%	0.4%	PRIT Vintage Year 2007	0.3%	0.2%	25.1%	0.3%	n/a	n/a	n/a	\$240,874	
0.4%	0.4%	PRIT Vintage Year 2008	0.2%	-0.4%	18.7%	n/a	n/a	n/a	n/a	\$235,061	
0.0%	0.0%	PRIT Vintage Year 2009	0.0%	-1.8%	13.0%	n/a	n/a	n/a	n/a	\$20,354	
0.0%	0.0%	PRIT Vintage Year 2010	0.0%	-3.9%	n/a	n/a	n/a	n/a	n/a	\$8,330	
0.0%	0.2%	Other	0.0%	0.0%	0.0%	0.7%	2.1%	2.0%	2.0%	\$140,664	
0.2%	0.2%	Cash	0.0%	0.0%	0.1%	0.6%	2.3%	2.3%	2.3%	\$140,664	
		90 Day T-Bill									

Note: Results for periods longer than one year are annualized

Composite net return includes investment manager, investment consultant, custody, legal, and retirement staff fees

* Returns only available on a quarterly basis

** Global Balanced Benchmark: (50% EAFE) (50% WD GOV)

*** AEW Partners IV was funded in July, 2010. Returns only available on a quarterly basis

