

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

RECEIVED  
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AUGUST 27, 2012

The meeting was called to order by Chairman Rosario Sacco at 8:15A.M. in Conference #2, Town Hall. Members present were:

Rosario Sacco, Chairman	Thomas F. Gibson, Vice Chairman
Chitra Subramanian, Ex-Officio	Walter D. Wellman, Elected Member
James Sloman, Appointed Member	

Also present was Mr. James Quirk, Jr. P.C. the Board's Attorney and Scott Driscoll of NEPC, LLC.

Scott informed the Board that July did a lot better than June. Composite was up 7.1%, PRIM was 6.8%. August is also up. We will be looking at different strategies, risk parity and balance in risk. In 6 to 9 months we will be looking at Private Equity.

Mr. Quirk stated that PIMCO is one of the dynamic changes, private investment, private debt. RFP for Harbouvest.

Mr. Gibson said we look at it quarterly. We may run in to resistance with procurement law. PERAC may take a long wait for approval.

Mr. Sloman suggested the Board look at Managers who have flexibility. He worries about PIMCO because they are so big, he feels smaller is better.

Mr. Quirk said we would be going backward.  
*See Sept 27, minutes -mc*

*as rewritten - - - JS*

Mr. Sacco said we should get rid of PERAC. Joe Martin is setting us back. They think we should all be in PRIM.

Scott introduced the AEW Managers: Jay Struzziery, Marc Davidson and Jonathan Martin.

Marc Davidson - buy debt, own assets. Fund off to a really good start. Up 8.3%. They allocate 86% to 41 high quality properties. Just purchased a 800 apartment building in Santa Monica, CA. This year 10 1/2% return.

Hotel Frank with 153 rooms. They have a letter from the union about the settlement. The Board should have a copy of the letter.

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Jonathan Martin, Portfolio Manager of the AEW Core Property Trust – Investment strategy – hold long term to benefit tenants, central location, favorable demographics and durable income stream. He talked about recent acquisitions. They are doing very well. 95% occupied. Dividend this year 5.25% performance through June was 3.50%. Rare to acquire Industrial Parks, rents going up. There is a lot of interest.

Latest addition is 1660 Wynkoop, Denver, Colorado. An office building across the street from Union Train Station, and abundance of parking. Another acquisition was Broadstone Memorial, Houston, TX for \$56M, off Eldridge Parkway, located near many office buildings. Dividend 5.25% this year.

Mr. Sloman asked what do you look for? Office market is soft this year, a lot of uncertainty. Jay said they are focused on office, multi family is a good trend, Industrial is good growth, retail is flat. There isn't a lot for sale.

Scott Driscoll of NEPC talked about our Investments. We are ranked in the top 25% - 4.7%. For the calendar year we are in top 1/3 of all. Composite return was 9.4%, ranked 19<sup>th</sup>

The Board discussed Artio Global, one manager left and they are down. A motion was made and seconded and VOTED unanimously to put Artio on Watch. Scott will have more information next month. The NEPC International team is meeting with Artio.

Atlanta Large Cap trailed the market, have been a top quartile in certain periods. The Board to look at Atlanta, Scott to come to next meeting with comparisons, active versus passive.

Mr. Quirk reviewed the following:

- a. Letter from Michael McHugh's Attorney - He has sent a letter to Mr. McHugh to address the issues the Board has requested.
- b. New requirement of Chapter 32 s.23B – he has given us a document outlining the issues raised at the Summit which may impact our system during a procurement process.
- c. Joe Martin, regulations have been eliminated by new laws. He is trying to force us all in PRIM.
- d. Consultants are frustrated by handcuffs. PERAC working on another MEMO, have to have a vehicle to indemnify.
- e. PERAC says they definitely are not trying to force us in to PRIM.
- f. There are 9 separate documents to be signed telling us we can't invest in certain areas.
- g. Local option to increase benefits payable to widows and widowers of disabled public employees under s. 101. The Board will review the options and go to Town Meeting for approval.
- h. MEMO #42 – Change in Same Sex Marriage Option: It relates to a change in paying the retirement allowance under the new election. The Board may make appropriate adjustments.
- i. Anti-Spiking Worksheet – Every new application for retirement will have to have a Anti-Spiking Worksheet completed when calculating an allowance.

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A motion was made and seconded and it was VOTED unanimously to approve the Minutes of the July 25, 2012 regular monthly meeting.

A motion was made and seconded and it was VOTED unanimously to approve Warrant #1208 in the amount of \$845,975.34.

A motion was made and seconded and it was VOTED unanimously to grant membership to:

- a. Mark Mancuso, Operations Manager, DPW, Water Division effective August 23, 2012
- b. Matthew Davison, Fire Department Fire Fighter, effective August 13, 2012
- c. Emily Baratta, Special Education Aide, effective September 4, 2012

A letter from James M. Busa, DPW employee, who was granted a Superannuation Retirement effective August 15, 2012, informing the Board that he has decided not to retire and requested to withdraw his application. The Board granted this request.

Note death of Mary A. Santoro, on August 11, 2012. Retired October 31, 1978 as Clerk at the Cemetery Option A.

A thank you note received from Rochelle and Roy Sacco for the flowers the Board sent to Rochelle's mothers wake.

PERAC notice that Disability Retiree Brian Gilligan after evaluation, is unable to perform the essential duties of his job. The member may be subject to future evaluation.

Board Member Thomas Gibson's email explaining the recent decision rendered by CRAB in the case of Barnstable County Retirement Board vs. PERAC, CR-07-1063, appeals from Board decisions and others.

Article from "Telegram.com" "Mass. faces growing public pension burden" reducing rate of return.

Emails – Legislative Wrap-up 2011-2012 – Senator Brownsberger's report and commentary on "Pension Issues Inventory".

PERAC Pension News

NEPC, LLC – Financial Market monthly newsletter

Mass PRIM's Michael G. Trotsky to Lead CFA Institute Asset Manager Code Advisory Committee

AEW Core Property Trust – Dividend received for quarter ending June 30, 2012 of \$36,316.49.  
and AEW quarterly report

AEW Partners VI. L.P. – Quarterly account statement

Artio Global Investors – monthly statement and fact sheet

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HarbourVest Dover Street VII L.P. quarterly account statement

Mondrian Global Fixed Income monthly statement  
Mondrian June and July commentaries

PIMCO – monthly statement

Rothschild Large Cap Value, LLC – monthly statement

SCOUT Funds monthly statement

The Board advertised for a Actuarial RFP. Proposals were due back on August 24, 2012 to be opened at the Board meeting on August 27, 2012. Proposals were received from:

- |                       |                      |
|-----------------------|----------------------|
| a. The Segal Company  | b. Buck Consultants  |
| d. KMS Actuaries, LLC | d. Hooker & Holcombe |

The members each received copies of the proposals to review. They asked Mr. Quirk to prepare an Evaluation Form for the uniform evaluation of all of the responders to the Actuarial Consulting Services "RFP".

Upon a motion duly made and seconded it was VOTED unanimously to schedule the next regular monthly meeting for September 27, 2012.

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

A true copy

ATTEST:

  
Chairman

  
Vice Chairman

  
Ex-Officio

  
Elected Member

  
Appointed Member