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## BELMONT, MASS. CONTRIBUTORY RETIREMENT SYSTEM

## MINUTES

December 31, 2014

The meeting was called to order by Chairman Rosario Sacco at 8:15 A. M. Board Members present were:

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

Also in attendance was Attorney James Quirk, Jr. the Board's Attorney and Scott Driscoll and Benjamin Pittsley, both of NEPC, LLC.

Scott talked about the S & P 500 Index. 5000 common stocks of leading US Companies and the index is maintained and governed by a committee of economists and analysts. NEPC did a search and received requests from two investment managers, Rhumblin Advisers and PIMCO. Rhumblin met the search criteria. PIMCO did not meet the criteria. Rhumblin was chosen. They have 180 clients and 27 Retirement Systems. A number of Tom and Jim's clients use Rhumblin.

Denise D'Entremont of Rhumblin talked to the Board Members about her Firm. A motion was made by Mr. Gibson and it was seconded by Mr. Wellman, to hire Rhumblin, and terminate Atlanta Capital. The motion was voted In favor by Mr. Sacco, Mr. Gibson, Ms Subramanian, and Mr. Wellman.

GASB 67/68 talks about the administration of Retirement Plans. Annual statement to amend contract to include Auditing services. Tom said that this is designed to have all Boards in PRIT. Mr. Quirk said there is no vesting in Group 4 in the statute.

There are three accidental disability application: Mr. McHugh wants an extension from PERAC. John Lyons, School Department and Fire Fighter Michael Rielly waiting for appointments.

Vice Chairman Tom Gibson made a motion to accept the January 1, 2014 Actuarial Valuation as prepared by Segal Company, Kathy Rielly. The formal books were delivered to the Board.

A request was received from the Belmont High School Hockey Coach Dante Muzzioli to buy back service when he was employed by the School Department. He was not a member of the Retirement System during the time he coached, and is not eligible to buy back the time, because he was not a member and he did not work the number of hours to become a member. A letter to be sent to Mr. Muzzioli.

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The fourth member of the Retirement Board is the elected member. Mr. Walter Wellman is the 4<sup>th</sup> Member and his term is up on December 31, 2014. A motion was duly made by Mr. Gibson stating the fact that there was just one candidate for this election, the one candidate is declared to be elected to the Belmont Retirement Board, It was declared that Walter Wellman, being the only candidate for election to this Board, be elected for a three year term, commencing December 31, 2014.

Attorney Quirk talked about the following:

- a. Update n Michael McHugh - Looking for an extension
- b. Board's policy on Workers' Compensation offset.
- c. PERAC Appropriation Letter for FY 2006 approved at \$7,877,958.00
- d. PERAC #34 – GASB 67/68
- e. PERAC #36 – Accounting for Investment Related Fees
- f. PERAC #37 – Tobacco Company List
- g. PERAC #38 – Annual Review of Medical Testing Fee
- h. PERAC#39 - Mandatory Retirement Board Member Training 1<sup>st</sup> Quarter 2015
- i. PERAC #39a – Corrected #39

A motion was made and seconded and Voted Unanimously to approve the following:

- a. Warrant #1412 in the amount of \$870,577.68
- b. Grant Superannuation Retirement to Stefan Russakow, Director of the Health Dept. effective December 31, 2014, Option C – 18 years 8 months membership
- c. Grant transfers to Julie Santos and Melissa Gordon, School Department to MTRS

Board Member James Sloman received a letter from the Board of Selectmen appointing him to another Three year term on the Belmont Retirement Board.

A motion was made and seconded and voted unanimously to accept the following:

- a. Atlanta Capital second quarter 2014 report
- b. AEW Core Property Trust – 2<sup>nd</sup> Quarter report
- c. Mondrian Investments
- d. PIMCO
- e. Rothschild Investment Managers
- f. PRIT Funds
- g. SCOUT
- h. HarbourVest

A motion was made and seconded and it was VOTED unanimously to schedule the next Board Meeting on January 28, 2015. Chairman Roy Sacco will be out of Town and unable to attend this meeting. Mr. Gibson, Vice-Chairman will preside.

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The meeting adjourned at 9:40 A.M.

A true copy:

ATTEST:

CHAIRMAN

VICE-CHAIRMAN

EX - OFFICIO

ELECTED MEMBER

APPOINTED MEMBER



NEPC, LLC

BELMONT, MASS.  
CONTRIBUTORY  
RETIREMENT SYSTEM

2014 DEC 31 A 10:36

**To:** Belmont Contributory Retirement Board  
**From:** NEPC  
**Date:** November 26, 2014  
**Subject:** Alternative Asset Allocation — PRIM Vintage Year 2015 Investment

Recommendation:

*NEPC recommends that the Belmont Contributory Retirement System make an additional commitment to the alternative investments asset class by committing \$500,000 to PRIM's Vintage Year 2015 Alternative Investment program, in order to continue to fund the Retirement System's 7% target allocation to Alternative Investments.*

Background:

This additional commitment will increase the System's total commitment to date to \$11,500,000, which represents approximately 14% of the System's total current assets. However, because the funds will be drawn down over a period of 3-6 years (during which funds will also be returned to the System), the result will be an actual allocation that will remain closer to 6.0 - 7.0% of total assets through most of 2015, depending on actual cash flows. Making this additional allocation will enable the System to continue to increase its exposure to the alternative asset class on a diversified basis, across an additional 10-15 separate partnerships.

Update on Vintage Year 2014:

The pace of PRIM's 2014 commitment activity is slightly below their target level of commitments. Year-to-date the PRIM Board has approved 14 new private equity fund investments, totaling \$1.1 billion or approximately 79% of PRIM's \$1.4 billion target for 2014. Of the \$1.1 billion in commitments to date approximately 90% has been committed to the Special Equity category and 10% to the Venture Capital category.

The following is a list of the commitments that PRIM has made through 11/12/14 in calendar year 2014:

H.I.G. Middle Market LBO Fund II	Middle market buyout	Special Equity	\$50
Vista Equity Partners Fund V	Large and Upper middle market buyout	Special Equity	\$100
Xenon Private Equity Fund VI	Italy-focused middle market buyout	Special Equity	\$23
Thoma Bravo Fund XI	Upper middle market buyout	Special Equity	\$150
Index Ventures VII	European venture capital	Venture	\$14
Insight Venture Partners Co-investment Fund III	Growth equity	Venture	\$22
Charlesbank Equity Fund VIII	Middle market buyout	Special Equity	\$110
Ascent Venture Partners VI	Early stage	Venture	\$25



	venture capital		
Sofinnova Venture Partners IX	Multi stage venture capital	Venture	\$30
Spark Capital Growth Fund	Late stage venture capital	Venture	\$40
Hellman & Friedman Capital Partners VIII	Large buyout	Special Equity	\$230
Centerbridge Capital Partners Fund III	Large buyout	Special Equity	\$200
Quantum Energy Partners VI, L.P.	Large buyout	Special Equity	\$100
Thomas H. Lee Equity Fund VII, L.P.	Large and Upper middle market buyout	Special Equity	\$50
<b>Total</b>			<b>\$1,119</b>

If you have any questions, please do not hesitate to contact us at (617) 374-1300.