

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

2015 OCT 23 PM 1:28

SEPTEMBER 26, 2011

The meeting was called to order by Chairman Roy Sacco at 8:20 A.M. in Conference Room #2, Town Hall, Belmont, MA. Members present were:

Roy Sacco, Chairman	Thomas Gibson, Vice Chairman
Barbara Hagg, Ex-Officio	Walter Wellman, Elected Member
James Sloman, Appointed Member	

Attorney James Quirk, Jr. Board Attorney, and Doug Moseley and Scott Driscoll of NEPC were present.

Mr. Quirk discussed the following:

- a. Personnel changes at PRIM/PRIT. Lost Equity Manager Wayne Smith and his protégé. Ask Michael Trotsky to attend our next meeting.
- b. GASB's Exposure Draft – changes to Pension Accounting Standards.
- c. Currency Trading – NEPC to bring back to the Board cost of fees. Prim says that Mellon has been overcharging.
- d. Attleboro Retirement Board vs PERAC – retroactive payment and 75% cap
- e. Mark Steinberg VS State Board of Retirement –
- f. Mr. Quirk sent letters to the three doctors that examined Michael McHugh asking them to clarify their findings.
- g. Letter signed by Chairman Roy Sacco to Selectman Chairman Ralph Jones informing him that the Town Accountant be the Ex-Officio member of the Retirement Board according to G.L. c.32 s. 20(4)(b).

The Legislature is working on the Casino bill. There are 185 amendments.

There was a discussion of the new Pension Reform Bill. PERAC reform pieces are part of this bill. Roy stated that the Procurement section may end up in Court. Minimum age to reach 80% to change, eliminate the termination allowance. How will it impact the Ordinary and Accidental Disabilities. The bill will come out in two to three weeks.

Board Member Tom Gibson questioned the Powers & Sullivan CPA bill for \$8,000 for the Audit. Barbara explained that there is an opinion letter that is included in the audit report, that some firms do not include in their audit's. There was a question about the rate of employee salary increases. They were higher than members thought. The amount is the actual payment that went out the door. Copies of the Audit were given to the Board Members.

MINUTES OF SEPTEMBER 26, 2011
page two

Town Treasurer Floyd Carman was appointed to the Retirement Board by the Selectmen. Chairman Roy Sacco wrote to the Selectmen to inform them that the provisions of G.L. c.32, s. 20(4)(b) states that the Town Accountant be the Ex-Officio member of the Retirement Board. The Selectmen has appointed a new Town Accountant to take Barbara Hagg's position. Mr. Sloman questioned the sending of the letter. He stated that he did not receive a copy of it. Mr. Sacco stated that this was an issue that had to be addressed quickly because our meeting was coming up. Mr. Sloman stated that he did not receive notice from the Selectmen of the appointment of Mr. Carman.

Mr. Peter May, Director, of Artio Global Management Institutional Investments met with the Board. The Market Value as of August 31, 2011 was \$6,805,762.00. Year to date the fund is down 2.20%. Artio was formerly Julius Baer. Artio has agreed to provide the Board with written confirmation of its practices.

Doug Moseley and Scott Driscoll met with the Board to discuss the Real Estate search. Doug reminded the Board that former Board Member Peter Palandjian advised the Board in 2008 to take the PRIT Real Estate account and put it in cash because the market was falling. It would bounce back in 2009 and 2010. The Board took his advice and in early 2011 Peter advised the Board to get back into Real Estate. The Board asked NEPC to conduct a search. At the August 31, 2011 meeting Scott Driscoll brought the results of their Real Estate Search to the Board. There were eight Managers to be reviewed by the Board. They selected three to come to be interviewed. AEW Core Property Trust, TIAA CREF - TCAM Property Fund and Heitman American Real Estate Trust, L.P.

Board Member Jim Sloman stated that he would refrain from voting on the selection, because he had spoken with a Real Estate person prior to this meeting. Barbara stated that Jim should not refrain from voting. He asked for an explanation of REIT's compared to private Real Estate. Doug said it is in the structure. The private real estate is owned properties. REIT's are more volatile. You have to watch the market. Our target is 12%, the return net of fees is 7 to 7 1/2%.

Doug stated that Real Estate Earnings are better than Bonds.

The interviews were conducted at today's meeting. There were representatives of the three Managers who presented their firms General Information, Fund Strategy, and Fees. After lengthy discussions about each of these Managers. Doug stated that all three are good candidates, the Board members agreed. He explained the fees are net. Mr. Gibson made a motion, it was seconded and VOTED four in favor and one member voting present to retain AEW Core Property Trust to manage the Real Estate account, a commitment of \$3M by January, 2012.

Upon a motion duly made and seconded it was unanimously VOTED to approve the Minutes of the August 31, 2011 regular monthly meeting and the August 31, 2011 Executive Session.

Upon a motion duly made and seconded it was unanimously VOTED to approve Warrant #1109 in the amount of \$890,081.67.

MINUTES OF SEPTEMBER 26, 2011

page three

Upon a motion duly made and seconded it was unanimously VOTED to grant membership to Ellen Girourd, a Young Adult Librarian, effective September 5, 2011.

Note deaths of the following retirees or survivors:

- a. M. Jean Barbera on September 6, 2011, retired Electric Light Dept. Clerk, retired January 31, 2011, 15 years membership., Option B. Husband Arthur Barbera was named Beneficiary and he has requested the Option B balance in Jean's Annuity Reserve Account. \$9,266.79.
- b. Jean Baxter, on September 9, 2011 retired Assistant Town Treasurer, retired May 11, 1990, 22 years 4 months membership. Option B, there is no balance in her Annuity Reserve Fund.
- c. Marjorie Vail on September 15, 2011, Option C survivor of deceased Fire Lieutenant Robert Vail who retired January 31, 1986 and died on August 14, 2001.

Board Member Tom Gibson's email: State Capitol Briefs – "Boston-Area Prices Up 3.6% over the year. "Validation of Board's vote to grant a 3% COLA".

E-mail from Ralph White - Legislative Update – Public Service Committee released the major pension reform bill as voted by that Committee. Bill # 2010.

Letter from Public Employees Coalition on Public Employee Pensions – "Opposition to Pension Bill"

MACRS Fall Conference on October 16 to October 19, 2011 in Springfield. Roy, Tom and Walter will attend.

There is an Election for the Second Elected Member, scheduled for December 27, 2011. Upon a motion made and seconded it was unanimously VOTED to have Retirement Administrator Marion Cote' be the Election Officer. Nomination papers will be available tomorrow and notices will be posted on the Town Clerk's bulletin Board and in all Departments and Retirees will be notified in the September allowances.

AEW Partners monthly statement

Artio Global Investors – August monthly statement

Delaware Investments August monthly statement

Scout Funds – August monthly statement

HarbourVest Partners LLC (Dover Street VII) Second Quarter Statement

Rothschild Asset Management – August, 2011 Market Review and Large Cap Value Fund

PIMCO All Asset Fund - \$4M has been transferred to PIMCO

MINUTES OF AUGUST 26, 2011
page four

David Driscoll answered our Email regarding the GASB's Exposure Draft – Changes to PENSION Accounting Standards. He will get back to us when these questions are answered.

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

Upon a motion duly made and seconded it was VOTED to adjourn the meeting at 11:30 A.M.

A true copy

ATTEST:


CHAIRMAN


VICE-CHAIRMAN


EX-OFFICIO MEMBER


ELECTED MEMBER


APPOINTED MEMBER