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

OCTOBER 30, 2012
Rescheduled to November 5, 2012

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

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

Also present was the Board's Attorney James Quirk, NEPC Consultants Doug Moseley and Scott Driscoll, PRIM's Executive Director and CIO Michael Trotsky and Paul Todisco.

Town Administrator David Kale was also present to talk about the Town's appropriation for 2014, and when we expect the Actuarial to be completed.

Mr. Quirk had sent to the Board, documents from the PRIM Board Meeting of October 2, 2012. He talked about this meeting. Mr. Trotsky will also talk about PRIM.

Mr. Quirk discussed PERAC MEMO #51 – Chapter 32, Section 23B Contract Terms, Indemnification, Disclosure and Fiduciary Duty. This memo deals with indemnification and delineates a specific procurement process to be followed by retirement boards when seeking certain services. It also mandates that contractual terms relative to fiduciary status, indemnification, and disclosure be incorporated into contracts for "investment service providers".

Section 23B requires that contracts entered into by retirement boards include and/or exclude certain terms and conditions.

PERAC MEMO #49/2012 - Investment Under Chapter 176 of the Acts of 2011 - #2 - The Commission continues to assess the issue of system investment in Hedge Funds and hopes to provide guidance to that issue. This memo also explains PERAC'S Role under Chapter 176.

Mr. Quirk stated that the Commission is going to have a study of regionalization of Retirement Systems The MMA is pushing it. Tom said that Buck has been hired and PERAC is going to pay for the study Tom also said that there is talk about combining Concord, Maynard, Lexington and Belmont into the Middlesex County System.

Mr. Trotsky spoke on the PRIT Fund performance through September 30, 2012. Total assets of $50.8 billion. The total PRIT Core has had an average annual return of 9.47% as of September 30, 2012 Real Estate and Timber are lagging. The Private Equity is second to none he stated.

Mr. Trotsky described "Implementing Risk Management at PRIM". The Barra system helps describe "What the PRIT Fund looks like and how it might behave". They utilize the Barra risk analysis to improve Investment decisions.

They will be working with NEPC next month on the rate of return. They have very good people on the Investment Committee. Connie Everston will take lead in challenging assumptions.

PRIT will do a asset allocation study in December, and will rebalance quarterly. They will be dong a new Manager search and will make sure all Managers are the best.

Their budget for the year is $320M, salaries are $3M.

Belmont's return is 9.22% since inception. Hedge Fund doing very well

The Board discussed the closing of Artio and where to put those assets. They talked about doing a search. Mr. Sloman made a motion and it was unanimously VOTED to wait until Spring to do a search and leave the money in PRIT until then.

Doug said that Braintree just went out for a search. Scott said that our performance year to date is up 10.8%. He said performance is strong.

A motion was made and seconded and unanimously VOTED Mr. Sacco, yes, Mr. Gibson, yes, Ms Subramanian, yes, Mr. Wellman, yes and Mr. Sloman, yes, to go in to Executive Session to discuss medical reports and disability retirement application.

The Board unanimously VOTED to go out of Executive Session and return to regular session and take a vote on the disability application of Michael McHugh. The vote to deny was Mr.Sacco,yes, Mr. Gibson, yes, Ms Subramanian, yes, Mr. Wellman,yes and Mr. Sloman, yes.

A motion was duly made and seconded and it was VOTED unanimously to approve the Minutes of September 27, 2012.

A motion was duly made and seconded and it was VOTED unanimously to approve Warrant #1210 in the amount of $802,984.31.

Upon a motion duly made and seconded and it was VOTED unanimously to grant a Superannuation Retirement allowance to Linda Shaughnessy, a former Parking Clerk and Traffic Supervisor, effective November 15, 2012, Option B. 10 years 10 months creditable service.

Upon a motion duly made and seconded and it was VOTED unanimously to grant membership to:

a. David Kale, New Town Administrator, effective August 20, 2012
b. Martha Whitman, School Aide,effective September 24, 2012
c. Sarah E. Haff, School Aide, effective September 4, 2012

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Note death of disability retiree Thomas Lally on October 22, 2012. Retired 12/28/80. Option B, 4 years 3 months creditable service

NEPC, LLC – monthly update

Artio International Equity Group Trust Fund was notified to liquidate the Belmont Assets.
The funds will be deposited at State Street to be invested in PRIM's International Equity portfolio.
PRIM can only take the assets at month end.

PRIM Board September update

Atlanta Capital Management Third Quarter report.

Rothschild Asset Management September market review and 3rd quarter review

Mondrian Global Fixed Income monthly statement

PIMCO – monthly statement

SCOUT Funds monthly statement

Scott & Scott quarterly report

Upon a motion duly made and seconded it was unanimously VOTED to schedule the next regular monthly meeting for November 26, 2012

Upon a motion duly made and seconded it was unanimously VOTED to adjourn the meeting at 10:05 AM

A true copy:

ATTEST:

CHAIRMAN

VICE-CHAIRMAN

Chitra V. Subramanian

EX-OFFICIO

ELECTED MEMBER

APPOINTED MEMBER