

Belmont Contributory Retirement Board
Meeting Held on Friday, May 20, 2016 at 8:15 am
Belmont Town Hall, 455 Concord Avenue, Conference Room 1 (Ground Floor)

2017 FEB -6 PH 12: 22

Meeting Minutes

Board Members Present

Rosario Sacco, chair; Thomas Gibson, vice-chair; Chitra Subramanian; Walter Wellman; James Sloman

Guests

Scott Driscoll, NEPC; Denise D'Entremont, Rhumblin; James Quirk, board counsel; Elizabeth Pew, town meeting member

Call to Order

Chairman Sacco called the meeting to order at 8:15 am.

Presentation by Rhumblin

Denise D'Entremont of Rhumblin reviewed the fund's characteristics and its performance

- Rhumblin is a passive index manager; Belmont's funds are pooled with other Massachusetts retirement plans; assets in the fund mirror the S&P 500
- She reviewed performance since inception; YTD through April, bit under benchmark, relatively flat
- The fund is essentially buy and hold; there is low activity, it is rebalanced about once a month to avoid fees
- Will likely be positive over benchmark later (because Rhumblin was hired within the last year)
- Trading costs are shared among the retirement plans at 2.5%
- Mr. Driscoll asked about the impact of the State Street Bank overcharging suit. Ms. D'Entremont said there was a slight impact on Rhumblin
- The fund has liquidity twice a month

Presentation by NEPC

- Mr. Driscoll and the board discussed the State Street Bank transaction fee overcharge suit
- The quarterly report was reviewed at the last meeting
- Reviewed April flash report: at 1.2% PIMCO has delivered positive performance; there will likely be losses in May
- The retirement fund is outperforming metrics; 9.3% since 1995, inception with NEPC
- Reviewed performance by asset class
- Reviewed hedge fund performance; Mr. Driscoll thinks there is still value in this area
- There was discussion about whether the system should pull out of hedge funds. Chairman Sacco thought the board should consider it. Mr. Sloman asked if PRIM could come to a meeting. Mr. Driscoll will ask Mr. Trotsky to attend the June meeting.

Review and Acceptance of Minutes

Mr. Gibson made a motion, seconded by Mr. Wellman, to accept the minutes of the April 28, 2016 board meeting. The vote passed unanimously.

Election Update

- Mr. Wellman made a motion, seconded by Mr. Gibson, to declare Ross Vona as elected member by acclamation as he was the only candidate to file nomination papers with the necessary signatures. The vote passed unanimously.
- The board will provide notice of the declaration to PERAC
- Mr. Sacco will invite Mr. Vona to attend the June board meeting
- Mr. Vona will be informed of the requirements to complete online ethics training, provide a financial statement, etc.

Update from James Quirk, Jr., Board Attorney

- Attorney Quirk and the board discussed the draft policy on regular compensation
- The guidelines are good, also need to look at contracts
- Review certifications to see if all are treated same way; for example, in some contracts for paramedics: the chief has discretion as to whom to appoint; one amount is paid if assigned to shift as paramedic, another if not
- Attorney discussed contract provisions he has seen elsewhere
- Mr. Gibson discussed meeting process and contract issues
- Mr. Quirk suggested that when the review is done, the board should invite employees and union reps to hear the rationale
- Provide right of appeal
- The board discussed the process for informing employees, unions, etc.
- Mr. Gibson made a motion, seconded by Mr. Wellman, to approve the regular compensation policy. The vote passed unanimously.

Mr. Sloman exited the meeting.

The board discussed providing member seminars.

Attorney Quirk discussed a recent case

Dale Young v the State Retirement Board

- He was a contract employee for the state, then became a member of the retirement system
 - He bought back his non-membership time
 - The board had a regulation that he could buy the service, but not the earnings
 - The chief magistrate overruled the State Board because the regulation was overly broad
 - Some contractors are 03, others are not; the reg was probably designed for 03, but was not written that way
- He looked at type of employment and ruled that the earnings could be used in the retirement calculation

Review of Trial Balance

Ms. Olszewski is working to complete the annual statement for 2015, so a current trial balance was not available

Review of Budget

A current budget has not yet been prepared

Report of the Executive Director

The board discussed the interview and hiring process for the retirement assistant Mr. Gibson made a motion, seconded by Mr. Wellman, to authorize Chairman Sacco and Ms. Olszewski to interview potential candidates for the position and proceed with salary and benefit negotiations subject to ratification by the board at its next meeting. The vote passed unanimously.

Ms. Olszewski updated the board on ongoing projects, including the annual statement and technology update.

Review of Supplementary Regulations and Policies

Mr. Gibson is reviewing the regulations and policies of other retirement boards and will make recommendations to the board.

Review and Approval of Pension and Board Member/Staff Payroll Warrants

Mr. Gibson made a motion, seconded by Ms. Subramanian, to approve the payment of staff payroll warrant in the amount of \$8,083.34 and the pension payroll warrant in the amount of \$839,347.95. The vote passed unanimously.

Review and Approval of Warrant for Refunds, Transfers-out, and Invoices

Mr. Gibson made a motion, seconded by Ms. Subramanian, to approve the payment of the refunds and invoices warrant in the amount of \$61,832.50. The vote passed unanimously.

Review of Correspondence Received

No correspondence was received

Requests for Buybacks of Service

There were not requests for buybacks of service

Requests for Superannuation Retirement

There were no requests for superannuation retirement.

Enrollment of New Members

<u>Name</u>	<u>Mem Date</u>	<u>Status</u>	<u>Dept.</u>
Joseph Foti	5/16/2016	Full-time	Water
Rebecca Leeb	5/16/2016	32 hrs/wk	School
Darrell Kimball	5/4/2016	Full-time	IT

Mr. Gibson made a motion, seconded by Mr. Wellman, to acknowledge that members are eligible to join the retirement system. The vote passed unanimously.

Discussion of topics not reasonably anticipated 48 hours in advance of meeting

The board discussed the topic of new office space and asked Ms. Olszewski to begin discussions with a realtor regarding requirements and potential space available.

Future Meeting Dates

The board selected June 29 or June 30 for its next meeting, depending on availability of PRIM

Adjournment

Mr. Gibson made a motion, seconded by Mr. Wellman, to adjourn the meeting. The meeting was adjourned at 10:38 am.

Respectfully submitted,

Angela M. Olszewski
Executive Director

Approved by the Retirement Board:

Date
