

**Belmont Contributory Retirement Board**  
**Meeting Held on Monday, November 28, 2016 at 8:15 am** 2017 FEB -6 PM 12: 23  
**Belmont Town Hall, 455 Concord Avenue, Conference Room 2 (Ground Floor)**  
**Meeting Minutes**

Board Members Present

Thomas Gibson, chair; Walter Wellman, vice-chair; Ross Vona; James Sloman; Chitra Subramanian

Board Staff

Angela Olszewski, director; Robert Soohoo, retirement assistant

Guests

Scott Driscoll and Doug Moseley, NEPC; James Quirk, Jr., attorney to the board; David Kale, Belmont town administrator; Mary Jane Cullinan, Rothschild; Robert McNamara, Loomis Sayles

Call to Order

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

Presentation by Rothschild

Ms. Cullinan presented for Rothschild, which manages the large cap value portion of the portfolio:

- Provided a company overview
- Noted that it was a challenging year for performance
- Reviewed the holdings in the portfolio
- Reviewed performance: long-term, the portfolio beats the Russell 1000; in 2016 the portfolio is underperforming as the market favored stocks with high earnings and high price/earnings ratios

After Ms. Cullinan departed, the board discussed the underperformance with NEPC. NEPC indicated that it is comfortable remaining with the manager for now.

The board would like a list of all contracts under MGL Chapter 32 section 23B with expiration dates.

Presentation by Loomis Sayles

McNamara presented for Loomis Sayles:

- Provided an update on firm
- Reviewed portfolio characteristics
- There has been volatility, but long-term performance has been good; it is a value portfolio that does not look like the benchmark
- Provided a market and economic outlook and interest rate forecast

Presentation by NEPC

- Mr. Driscoll reviewed long-term and recent performance of the portfolio along with market performance. There is an expectation that interest rates will rise.
- There was a discussion about rebalancing.

- The board discussed the opportunity to participate in the new PRIT vintage year 2017 fund. NEPC recommended an investment of \$1 million. Mr. Wellman, made a motion, seconded by Mr. Vona to invest \$1 million in the PRIT 2017 vintage year fund. The motion passed by unanimous vote.

#### Future Meeting Dates

The board selected Wednesday, December 28, 2016 as its next meeting date. Mr. Driscoll will invite the remaining managers, Atlanta Capital and Scout, to participate via conference call. Remote participation was offered to Mr. Sloman and Ms. Subramanian, who will not be in Belmont at the time of the meeting.

#### Retirement System Valuation/Funding Schedule

- The board reviewed the two new schedules, 3 and 4, along with Mr. Wellman's spreadsheet comparing all schedules.
- Mr. Gibson reviewed discussions and votes of the Board of Selectmen and Warrant Committee, requesting the adoption of schedule 4, which maintains the appropriation levels from the prior schedule for 2019 and 2020, uses generational mortality, reduces the assumed rate to 7.5%, and sets a full funding date of 2030.
- The board discussed and compared the various schedules, noting changes in the rate of return assumption, mortality, and date of full funding.
- It was noted that the board would be subject to the provisions of MGL Chapter 32 section 22F if it selects a full funding date later than 2030. Based on the new the mortality table, the decrease in the assumed rate, and the impact of extending the schedule beyond 2030, the board felt it would be most appropriate to extend the current full funding date from 2027 to 2029. This would reserve the flexibility of an extension of one year should that become warranted in the future and preserve it from the restrictions of section 22F.
- Mr. Sloman made a motion, seconded by Mr. Wellman, to adopt funding schedule 3, which maintains the appropriation levels from the prior schedule for 2019 and 2020, uses generational mortality, reduces the assumed rate of return to 7.5%, and sets a full funding date of 2029, and send communication to the Board of Selectmen and Warrant Committee regarding the reasons for adoption of this schedule. The vote passed unanimously. Mr. Gibson will draft the letter.

#### Review and Acceptance of Minutes

Mr. Wellman made a motion, seconded by Mr. Vona, to approve the minutes of the October 17, 2016 and November 7, 2016 board meetings. The motion passed unanimously.

#### Group Classification Review

The board reviewed the work that had been done by the subcommittee regarding the group classification of the Belmont Light Department. Mr. Wellman made a motion, seconded by Mr. Vona, to ratify the current classification of the positions and confirm that the position of meter specialist should be classified in group 4. The motion passed unanimously.

#### Policy on Medical Record Requests for Disability Applications

The board discussed the process for request and payment of medical records for disability retirement applications. Mr. Wellman made a motion, seconded by Mr. Vona, that the board shall request medical

records directly from the physicians and pay bills upon receipt, to be approved at the following board meeting. The motion passed unanimously.

#### Office Space Update

Mr. Vona provided a description of the property available on Belmont Street. Mr. Gibson, Mr. Vona, Ms. Olszewski, and Mr. Soohoo toured the property. It was determined that it would not be suitable for the retirement office. All options should continue to be explored.

#### Report of the Executive Director

Ms. Olszewski reported that Ms. Freitas has begun to help with the accounting. Retiree affidavits have been sent. Progress is being made toward generating the expense checks and pension payroll from the retirement software.

#### Executive Session

Upon a motion by Mr. Wellman, seconded by Mr. Vona, the board conducted a roll call vote to enter executive session for the following purpose:

Executive Session under Purpose 7 of the Open Meeting Law: To comply with, or act under the authority of, any general ... law ...", that law being Exemption (c) of the Public Records Law (G.L. c. 4, s. 7(26)(c)) exempting personnel and medical files or information and other materials or data relating to a specifically named individual, the disclosure of which may constitute and unwarranted invasion of personal privacy.

Mr. Gibson: yes

Mr. Wellman: yes

Mr. Sloman: yes

Ms. Subramanian: yes

Mr. Vona: yes

When the business of the executive session was concluded and a roll call vote taken, the board re-entered open session.

#### Review and Approval of Warrants for Payment

Mr. Sloman made a motion, seconded by Mr. Subramanian, to approve the payment of warrants 11-2016 in the amount of \$939,239.77 and 11A-2016 in the amount of \$36.34. The motion passed unanimously.

#### Review of Correspondence Received

Attorney Quirk noted that he had received a request for the usual letter from Powers & Sullivan, the town's auditors, who are currently completing the annual audit. He will note the correction of the section 100 benefit that was made this year.

There will be changes to the Public Records Regulation. This topic will be addressed at the December board meeting.

Correction of Benefits

The board reviewed the case of Deborah Belshaw, an active member who passed away in 2015. Notes in the file indicate that member was not counseled properly regarding the selection of an option d beneficiary prior to her death. The facts in case are compelling. Mr. Wellman made a motion, seconded by Mr. Vona, to seek approval from PERAC to correct the record under MGL Chapter 32, section 20(5) and initiate the payment of a section 12(2)(d) benefit to Ms. Belshaw's older daughter with a dependent allowance payable until her younger daughter becomes ineligible. The vote passed unanimously.

Requests for Superannuation Retirement

<u>Name</u>	<u>Ret Date</u>	<u>Cred Service</u>	<u>Age</u>	<u>Dept.</u>
Mary Ann Porter	12/23/2016	22 yrs 9 mos	64	School
John Bonfiglio	12/31/2016	10 yrs 2 mos	63	Facilities
Edward Corsino Jr	1/2/2017	30 yrs 10 mos	59	Fire
Melanie Stanley-Hill	1/3/2017	11 yrs 3 mos	65	School
Irene Sieberg	1/31/2017	29 yrs 1 month	66	School

Enrollment of New Members

<u>Name</u>	<u>Mem Date</u>	<u>Status</u>	<u>Dept.</u>	<u>Group</u>
Nicholas Babcox	11/14/2016	40 hrs/wk	School	1
Patricia Ball	11/3/2016	35 hrs/wk	School	1

Adjournment

Mr. Wellman made a motion, seconded by Mr. Vona, to adjourn the meeting. The motion passed unanimously. The meeting was adjourned at 11:52 am.

Respectfully submitted,

Angela M. Olszewski  
Executive Director

Approved by the Retirement Board:

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Date

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