

Belmont Contributory Retirement Board
Meeting Held on Wednesday, December 28, 2016 at 8:15 am
Belmont Town Hall, 455 Concord Avenue, Conference Room 2 (Ground Floor)
Regular Meeting Minutes

2017 FEB -6 PH 12: 23

Board Members Present

Thomas Gibson, chair; Walter Wellman, vice-chair; Ross Vona; Chitra Subramanian participated via phone

Board Staff

Angela Olszewski, executive director

Guests

Scott Driscoll, NEPC; James Quirk, Jr., attorney to the board; Mary Ehler, payroll technician, Town of Belmont; J. Michael Jaje, Jr., Atlanta Capital Management; Adrian Schultes, Scout

Call to Order

Chairman Gibson called the meeting to order at 8:24 am. He noted that Ms. Subramanian was attending the meeting via remote participation, as previously requested during the last board meeting, due to geographic location, and that all votes will be by roll call.

Presentation by Scout Investments

Adrian Schultes of Scout Investments participated via conference call:

- Reviewed Scout's investment process and philosophy
- Performance: oil price fall was the biggest contributor; reacts to volatility, adds value
- Saw Brexit as an opportunity to add duration; thought it would cause a rally in the treasury mkt
- US election: market turned, took defensive position going into election
- Currently overweight in Treasuries and cash; taking a wait and see approach; increased geo-political risk; lack of liquidity in fixed income
- Have not seen outflows from fund; tough 4Q for Barclay aggregate

Presentation by Atlanta Capital

Michael Jaje of Atlanta Capital participated via conference call:

- Provided company overview and reviewed products
- Small cap portfolio is closed
- Listed staff assigned to portfolio
- Objectives/strategy: predictable, consistent earnings companies
- Lower volatility, more like large cap
- In compliance with guidelines
- Performance as of 9/30/2016; below benchmark in 3Q; YTD almost in line with benchmark; better than benchmark long-term
- Reviewed performance drivers post-election
- Positioned with companies that will hold value during market volatility; expect good relative performance in down market

Presentation by NEPC

Mr. Driscoll reviewed the discussions with Scout and Atlanta Capital.

Mr. Wellman made a motion, seconded by Mr. Vona, to extend the contract with Atlanta Capital until December 28, 2018. The motion was approved unanimously via roll call vote:

Mr. Wellman: yes
Ms. Subramanian: yes
Mr. Vona: yes
Mr. Gibson: yes

The board discussed the extensions for Rothschild and Scout.

Mr. Wellman made a motion, seconded by Mr. Vona to extend the contract commitment for no longer than two years, to December 2018. There was not a need to sign updated documents.

The motion was approved unanimously via roll call vote:

Mr. Wellman: yes
Ms. Subramanian: yes
Mr. Vona: yes
Mr. Gibson: yes

The board discussed its current custody agreement. Mr. Driscoll recommended that the board conduct a custody search.

Mr. Wellman made a motion, seconded by Mr. Vona, to authorize NEPC to initiate a custody search.

The motion was approved unanimously via roll call vote:

Mr. Wellman: yes
Ms. Subramanian: yes
Mr. Vona: yes
Mr. Gibson: yes

Performance review:

- Rebalancing discussion
- Reviewed net of fee performance for 2016; final numbers will be available in January
- Asset allocation will be reviewed in January

Review and Acceptance of Minutes

Mr. Wellman made a motion, seconded by Mr. Vona to approve the regular session minutes of the November 28, 2016 meeting.

The motion was approved unanimously via roll call vote:

Mr. Wellman: yes
Ms. Subramanian: yes
Mr. Vona: yes
Mr. Gibson: yes

The board tabled the approval of the executive session minutes as they were provided at the meeting and Ms. Subramanian did not have a copy.

Retirement System Valuation/Funding Schedule

There was no further discussion on the actuarial valuation or funding schedule.

Review of Draft Audit Report from Powers & Sullivan

Board members reviewed the draft audit report prepared by Powers & Sullivan as part of the town audit.

Mr. Wellman made a motion, seconded by Ms. Subramanian, to acknowledge receipt of the audit report and financial statements prepared by Powers & Sullivan.

The motion was approved unanimously via roll call vote:

Mr. Wellman: yes
Ms. Subramanian: yes
Mr. Vona: yes
Mr. Gibson: yes

Appointment of Public Records Officer – Adoption of Public Record Guidelines

Attorney Quirk presented and board members discussed the new regulations regarding public records requests. It was decided to appoint a public records access officer and wait for clarification from PERAC regarding the classification and posting requirements of a retirement board under the new regulations.

Mr. Wellman made a motion, seconded by Mr. Vona, to appoint Robert Soohoo as records access officer. During discussion of the motion, it was decided that the board should look into a freestanding website separate from the town.

The motion (to appoint the records access officer) was approved unanimously via roll call vote:

Mr. Wellman: yes

Ms. Subramanian: yes

Mr. Vona: yes

Mr. Gibson: yes

Presentation by James Quirk, Board Attorney

- Mr. Quirk discussed a case relative to the reporting of retained earnings as earned income; superannuation retirees will likely need to report public earnings
- The SJC decision was issued regarding “once a member always a member.” Members whose hours fall below the threshold of initial membership shall retain membership as long as they do not separate from service.
- A current scenario was presented to the board: An occupational therapist with the school department was laid off and rehired with scheduled hours below the threshold for membership. She will not be entitled to rejoin the retirement system as there was a break in service.

Regular Compensation

The board reviewed the MOA related to the firefighters’ contract relative to the payment of longevity. Mr. Wellman made a motion, seconded by Ms. Subramanian, that the language contained in the MOA meets requirements of regular compensation under statute and the board’s policy.

The motion was approved unanimously via roll call vote:

Mr. Wellman: yes

Ms. Subramanian: yes

Mr. Vona: yes

Mr. Gibson: yes

Enrollment Form Policy

The board and staff discussed issues surrounding the difficulty of obtaining completed enrollment forms from school employees. It was decided that staff will draft a policy for discussion at the January meeting and invite personnel from the school department to the February meeting.

Workers Comp Quote and Consideration of Additional Insurance

The board discussed the need to obtain Workers Compensation coverage for the board staff and reviewed the quote obtained from the vendor that provides this coverage to the town.

Mr. Vona made a motion, seconded by Mr. Wellman, to approve the purchase of the coverage and the associated premium.

The motion was approved unanimously via roll call vote:

Mr. Wellman: yes

Ms. Subramanian: yes

Mr. Vona: yes

Mr. Gibson: yes

Correction of Benefits

The board reviewed the case of Kathleen Castagno-Ruiz. Ms. Castagno-Ruiz is receiving a survivor benefit and was overpaid for dependent allowance and COLA. The error persisted for more than one year. She asserted that she had no knowledge of the error and requested a waiver of the overpayment.

Mr. Wellman made a motion, seconded by Mr. Vona, to approve the waiver of the overpayment.

The motion was approved unanimously via roll call vote:

Mr. Wellman: yes

Ms. Subramanian: yes

Mr. Vona: yes

Mr. Gibson: yes

Office Space Update

There currently is no space available. The board discussed the possibility of considering space in neighboring communities.

Report of the Executive Director

Ms. Olszewski provided an update on current projects.

Executive Session

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. Wellman made a motion, seconded by Mr. Vona, to enter executive session for the above purpose to discuss applications for accidental disability and review of allegations against a member, and to return to regular session at the conclusion of executive session.

The motion was approved unanimously via roll call vote:

Mr. Wellman: yes

Ms. Subramanian: yes

Mr. Vona: yes

Mr. Gibson: yes

A roll call vote was taken at the end of the executive session to exit and return to regular session.

Review and Approval of Expense and Payroll Warrant

Mr. Vona made a motion, seconded by Mr. Wellman to approve the warrant for payment of expenses and pension payroll.

The motion was approved unanimously via roll call vote:

Mr. Wellman: yes

Ms. Subramanian: yes

Mr. Vona: yes

Mr. Gibson: yes

The board discussed the cost of the actuarial study. Segal's fee was higher than originally budgeted due to requests from and a meeting with town officials. Mr. Wellman made a motion, seconded by Mr. Vona, to formally make a request to the town administrator for the town to reimburse the retirement system for twenty-five percent of Segal's bill.

The motion was approved via roll call vote by a majority of the members with one abstention:

Mr. Wellman: yes

Ms. Subramanian: present

Mr. Vona: yes

Mr. Gibson: yes

Review of Trial Balance

Mr. Wellman made a motion, seconded by Mr. Vona, to acknowledge receipt and review of the trial balance for January 2016.

The motion was approved unanimously via roll call vote:

- Mr. Wellman: yes
- Ms. Subramanian: yes
- Mr. Vona: yes
- Mr. Gibson: yes

Review of Correspondence Received

There was no correspondence to be reviewed.

Requests for Superannuation Retirement and Enrollment of New Members

Mr. Wellman made a motion, seconded by Mr. Vona, to accept and acknowledge eligibility of the following applications for enrollment and superannuation retirement. The motion was approved unanimously via roll call vote:

- Mr. Wellman: yes
- Ms. Subramanian: yes
- Mr. Vona: yes
- Mr. Gibson: yes

Enrollments:

<u>Name</u>	<u>Mem Date</u>	<u>Position</u>	<u>Dept.</u>	<u>Group</u>
Scott Brinch	8/11/2010	Supervisor Contracts	Facilities	1
Joseph Brown	12/12/2016	Driver	Council Aging	1

Retirements:

<u>Name</u>	<u>Ret Date</u>	<u>Cred Service</u>	<u>Age</u>	<u>Dept.</u>
Susan Tudisco	12/23/2016	21.25	62	School
James Ricci	12/30/2016	27.6667	62	Water

Future Meeting Dates

The board selected January 30, 2017 at 8:15 am as its next meeting date and time.

Adjournment

Mr. Wellman made a motion, seconded by Mr. Vona, to adjourn the meeting. The motion was approved unanimously via roll call vote:

- Mr. Wellman: yes
- Ms. Subramanian: yes
- Mr. Vona: yes
- Mr. Gibson: yes

The meeting was adjourned at 12:37 pm.

Respectfully submitted,

Angela M. Olszewski
Executive Director

Approved by the Retirement Board:

Date
