

Belmont Contributory Retirement Board
Meeting Held on Friday, February 24, 2017 at 8:15 am
Belmont Town Hall, 455 Concord Avenue, Conference Room 2 (Ground Floor)
Regular Meeting Minutes

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2017 APR -5 PM 3:14

Board Members Present

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

Board Staff

Angela Olszewski, executive director; Robert Soohoo, retirement assistant

Guests

Scott Driscoll, NEPC

Call to Order

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

Presentation by NEPC

Mr. Driscoll reviewed the fund's performance long-term and for January 2017; Belmont is outperforming PRIT gross of fees long-term

The board discussed asset allocation: Mr. Driscoll proposed asset allocation "mixes" that reduce hedge funds and increase the commitment to domestic and international/emerging equity. The board discussed the mixes based on target returns and market environment.

Mr. Sloman made a motion to act on recommendation of NEPC to select mix A. Mr. Wellman seconded the motion. Mr. Gibson reviewed the points of mix A regarding the asset shift, long-term expected performance, and risk. The motion passed unanimously. Mr. Driscoll will work with board staff to make the changes. The board requested a new approved target asset allocation.

Custody Search

Mr. Driscoll reviewed the list of respondents.

- Peoples Bank and State Street Bank & Trust (SSBT) are the two respondents that have a presence in Massachusetts.
- SSBT priced out the highest, but custodians are now offering deep discounts.
- NEPC will provide written information on and a ranking of all respondents at the next meeting. The board is not required to conduct interviews.

Review and Acceptance of Minutes

Mr. Wellman made a motion, seconded by Mr. Vona to approve the regular session minutes of the January 30, 2017 meeting. The motion passed unanimously.

The board reviewed the executive session minutes of the January 30, 2017 meeting. Mr. Wellman made a motion, seconded by Mr. Vona, to approve the minutes. Mr. Gibson, Mr. Wellman, Mr. Vona, and Ms. Subramanian voted in the affirmative. Mr. Sloman voted "present" as he was not in attendance at the meeting. The motion passed by majority vote.

Proposed Budget 2017

The board reviewed the proposed administrative expense budget for calendar year 2017. Mr. Sloman made a motion, seconded by Mr. Wellman, to approve the budget. The motion passed unanimously.

Local Option Town Meeting Warrant Articles

Mr. Gibson reviewed the articles and noted that Segal had previously provided cost estimates. These will need to be updated.

Increase COLA base: the board discussed the increased cost of health insurance for retirees, which is anticipated to be 9% and the fact that the COLA base has remained at \$12,000 for several years. Mr. Vona made a motion, seconded by Mr. Wellman, to increase the COLA base to \$14,000. The motion passed unanimously. The board authorized Mr. Gibson to ask Segal to update the cost estimate it had previously prepared.

Increase the minimum benefit payable to spouses who receive a section 12(2)(d) member-survivor benefit: This benefit is provided to the surviving spouses of members who die of an ordinary death prior to retirement. Passage of the warrant article would increase the minimum monthly benefit from \$250 to \$500. Mr. Gibson reviewed the cost estimate previously provided by Segal. Mr. Wellman made a motion, seconded by Mr. Vona, to request passage of the local option to increase the minimum monthly benefit from \$250 to \$500. The motion passed unanimously.

Increase the annual section 101 spousal benefit from \$6,000 to \$12,000: Segal estimated the FY2016 cost of passage of this local option to be \$15,000. Mr. Wellman made a motion, seconded by Mr. Vona, to request passage of the local option to increase the annual section 101 benefit to \$12,000. The motion passed by a 4 to 1 vote: Mr. Gibson, Mr. Wellman, Mr. Vona, and Ms. Subramanian voted in the affirmative. Mr. Sloman voted in the negative.

Board stipend: Board members' stipends are funded from investment income. Board members' responsibilities have increased over the years due to the complexity of the investment portfolio, educational requirements, and personal financial reporting. Mr. Wellman made a motion, seconded by Mr. Vona, to put an article in the warrant and request Town Meeting approval to increase the board members' stipends from \$3,000 to \$4,500 annually. The motion passed. Mr. Gibson, Mr. Wellman, and Mr. Vona voted in the affirmative. Mr. Sloman voted in the negative. Ms. Subramanian voted present.

Mr. Sloman left the meeting.

Office Space Update

The board members will look at proposed municipal space.

Presentation by James Quirk, Board Attorney

Attorney Quirk was unable to attend the meeting.

Review and Approval of Board Policies and Forms

The following policies and forms were presented to the board for review:

1. Board Policy on Workers Compensation Offset in Agreements to Redeem Liability by Lump Sum Settlement
2. Member's Affidavit as to Marital Status upon Retirement or upon Application for Return of Accumulated Deductions
3. Policy on Procedures for the Election of Members to the Retirement Board
4. Policy on Liability and Indemnification of Retirement Board Members
5. Policy on Leaves of Absence and Creditable Service
6. Notification of Rights of the Belmont Retirement System under General Laws Chapter 32 to Applicants for Disability Retirement Benefits and Applicants for Disability Death Benefits
7. Waiver of Rights under Massachusetts General Law Chapter 32

Mr. Wellman made a motion, seconded by Mr. Vona, to accept all policies and forms as presented. The motion passed unanimously.

Correction of Benefits

- A retiree was on the pension payroll for the wrong amount. Attorney Quirk sent correspondence to the member and the benefit has been corrected.
- Mr. Soohoo presented the case of a school employee who was previously enrolled late by payroll error. The member was charged interest on the buyback. If the member was enrolled correctly, she would have an 8% deduction rate. She is currently at 9%. Mr. Wellman made a motion, seconded by Mr. Vona, to correct the contribution rate retroactively and refund the difference plus the buyback interest paid.
- Contributions made by the employees at the Belmont Housing Authority have been incorrect since 2015. The amounts are minimal. Mr. Wellman made a motion, seconded by Mr. Vona, to waive the underpayments as they were made due to employer error.
- The board discussed the case of a buyback where the interest was charged at half, instead of full, actuarial rate. Various options regarding the member's case were presented, including the possibility of repayment after retirement, using the formula from a court decision. The board asked the staff to obtain additional information from the member. The topic was tabled.

Report of the Executive Director

- Ms. Olszewski provided an update on current projects:
- Regular compensation review and related deductions: review has been completed for amounts owed from and to members back to 2007, when MUNIS was implemented. It is anticipated that refunds will be issued in March.
- Ms. Olszewski and Mr. Gibson met with staff from the town and school HR departments to discuss Workers Compensation.
- Ms. Olszewski and Mr. Soohoo met with staff from town and school payroll and HR departments regarding membership and enrollment issues.
- All retiree affidavits except for one have been returned. One pension payroll check will be withheld this month.

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 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 Warrants

It was noted that the invoices and refund letters had been emailed to board members prior to the meeting for their review. Mr. Wellman made a motion, seconded by Mr. Vona, to approve the warrant for payment of expenses and pension payroll. The motion was approved unanimously.

Review of Trial Balance

There was no trial balance available at the meeting. However, it was noted that Ms. Freitas has completed the investment accounting for August and is working on September.

Review of Correspondence Received

There was no correspondence to review.

Review of PERAC Correspondence

Mr. Gibson reviewed the topics of two recent PERAC updates:

- Memo 29/2016: The Buyback of Call Firefighter Time; Belmont does not have any call firefighters
- Memo 10/2017: Domestic Relations Orders; PERAC will no longer review DROs or related calculations. PERAC plans to offer training on this topic in 2017.

FOIA Requests Received

- A Belmont resident requested data related to the OPEB valuation. Retirement provided information that was available from the retirement software. The HR department coordinated the response to this request as the data came from multiple departments.
- A candidate for the Board of Selectmen stopped by the office to ask some general questions regarding elections, returns, and the actuarial valuation/appropriation.

Requests for Superannuation Retirement

There were no requests for superannuation retirement.

Enrollment of New Members

Mr. Wellman made a motion, seconded by Mr. Vona, to accept and acknowledge eligibility of the following applications for enrollment. The motion was approved unanimously.

<u>Name</u>	<u>Mem Date</u>	<u>Position</u>	<u>Dept.</u>	<u>Group</u>
Ekta Mehrotra	1/3/2017	Prof Aide	BPS	1
Joseph Gerardi	2/17/2017	HMEO	DPW	1

Adjournment

Mr. Wellman made a motion, seconded by Ms. Subramanian, to adjourn the meeting. The motion was approved unanimously. The meeting was adjourned at 11:54 am.

Respectfully submitted,

Angela M. Olszewski
Executive Director

Approved by the Retirement Board:

Date 3/23/2017