

Belmont Contributory Retirement Board

Minutes of Meeting of November 22, 2021

Meeting Conducted Pursuant to Chapter 20 of the Acts of 2021

Board Members Present: Thomas Gibson, Chair; Glen Castro (remote); Floyd Carman (remote); Ross Vona; Walter Wellman (remote).

Staff Present: Robert Soohoo; Ryan Horan.

Guests (remote): Scott Driscoll, NEPC; James Quirk, Board Attorney; Craig Peacock, Powers and Sullivan; Kevin Dunne, PIMCO.

Identified Public Attendees (remote): James Riccio, Public Safety Communications Dispatcher; Ted Pendergast, Operations Manager Public Safety Communications; Andy Levine, Warrant Committee Member; Tom O'Brien, Public Safety Communications Dispatcher; Mark Hurley, Police Sargent; Dave Jones, Public Safety Communications Dispatcher; Gar Chung, Financial News; Steff Chavez, Financial Times; Samuel Hooper, With.Intelligence; J. Peter Hoerr, Retired Belmont Police Officer; Dan Walsh, Public Safety Communications Dispatcher.

Mr. Gibson called the meeting to order at 9:18 am.

Motion by Mr. Carman, seconded by Mr. Vona, to approve the October 25, 2021 Board Meeting Minutes.

Roll Call:

Mr. Castro	Yes
Mr. Vona	Yes
Mr. Carman	Yes
Mr. Gibson	Yes
Mr. Wellman	Yes

The Motion passed.

Annual Review of PIMCO All Asset Fund Investment: Kevin Dunne presented an overview of the Fund emphasizing that the Fund was designed to fight inflation and to maintain a strong return as well. He reviewed plan performance and how the Fund has protected against inflation, especially of late. The reviewed the Fund's benchmarks and active investment strategies.

Mr. Dunne exited the meeting at 9:38 AM.

This has concluded the Board's Annual Manager reviews for 2021.

Review of System Investments with NEPC: Mr. Driscoll reviewed the System's investment performance through October 2021, noting that PRIM's October numbers had just become available. He reviewed the System's rankings, both short term and long term, and discussed individual manager performance over the past two volatile years. PRIM's invitation to invest in its Vintage Year 2022 Private Equity Fund

was discussed. The Dover Street VII Fund was noted to be in liquidation, and it will be a factor in reviewing the 2022 asset allocation. Mr. Driscoll then revisited the Emerging Market Blended Debt search, and presented updated information regarding three finalists - MetLife, Neuberger Berman, Ninety One - that NEPC deemed to be the best suited for the System. The Board reviewed fee structure, assets under management, and returns. The Board decided that MetLife was the best choice.

Motion by Mr. Vona, seconded by Mr. Wellman, to accept NEPC's recommendation to invest \$3,000,000.00 in PRIM Vintage Year 2022 Fund.

Roll Call:

Mr. Castro	Yes
Mr. Vona	Yes
Mr. Carman	Yes
Mr. Gibson	Yes
Mr. Wellman	Yes

The Motion passed.

Motion by Mr. Carman, seconded by Mr. Vona, to approve MetLife as the Emerging Market Blended Debt Manager.

Roll Call:

Mr. Castro	Yes
Mr. Vona	Yes
Mr. Carman	Yes
Mr. Gibson	Yes
Mr. Wellman	Yes

The Motion passed.

Future Meeting Dates: December 20, 2021; January 24, 2022; February 28, 2022, March 28, 2022.

Scott Driscoll exited the meeting at 10:14 am.

Review of the Draft Financial Statement as of December 31, 2020: Craig Peacock of Powers & Sullivan attended the meeting to assist in answering Board Members' questions with the draft audit. The System's funded ratio has been going up steadily even where the Board has lowered the assumed rate of return for the past six years, which Mr. Peacock noted to be very impressive. Mr. Gibson reviewed suggested corrections and Mr. Peacock, will send a revised draft. Board discussed Custodial risk with People's United and will review risk and resolutions.

Motion by Mr. Vona, seconded by Mr. Wellman, to accept the draft findings along with the corrections given by the board.

Roll Call:

Mr. Castro	Yes
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Mr. Vona Yes
 Mr. Carman Yes
 Mr. Gibson Yes
 Mr. Wellman Yes

The Motion passed.

Mr. Peacock exited the meeting at 10:31 AM.

Board Counsel Report: Mr. Quirk first discussed the new information that has been provided to the Board from the Dispatchers in reference to their Group status. Mr. Quirk made comments on his research and then asked for some more information about the job description necessary for him to draft a supplemental regulation for the Board to submit to PERAC. Mr. Gibson discussed the special legislation process.

Motion by Mr. Vona, seconded by Mr. Carman, to approve October’s Expense Warrant and September’s Payroll Warrant.

Roll Call:

Mr. Castro Yes
 Mr. Vona Yes
 Mr. Carman Yes
 Mr. Gibson Yes
 Mr. Wellman Yes

The Motion passed.

New Retirement Applications

<u>Name</u>	<u>Ret Date</u>	<u>Position</u>	<u>Age</u>	<u>Service</u>	<u>Type</u>	<u>Dept</u>	<u>Group</u>
Paul Gardiner	11/16/2021	Fire Fighter	55	11 Years, 4 Months	SA, Option C	Fire	4
Dana Harrington	11/26/2021	Fire Fighter	53	24 Years, 3 Months	SA, Option C	Fire	4

Motion by Mr. Carman, seconded by Mr. Vona, to approve retirement applications.

Roll Call:

Mr. Castro Yes
 Mr. Vona Yes
 Mr. Carman Yes
 Mr. Gibson Yes
 Mr. Wellman Yes

The Motion passed.

Enrollment of New Members

<u>Name</u>	<u>Mem Date</u>	<u>Position</u>	<u>Department</u>	<u>Group</u>
Silvia Mon Lopez	09/07/2021	Cafeteria Worker	School	1
Zoe Crafton	11/02/2021	Library Assistant	Library	1
Gabriel Distler	11/01/2021	Planner	Community Development	1

Motion by Mr. Wellman, seconded by Mr. Carman, to approve New Member Enrollment.

Roll Call:

Mr. Castro	Yes
Mr. Vona	Yes
Mr. Carman	Yes
Mr. Gibson	Yes
Mr. Wellman	Yes

The Motion passed.

Mr. Wellman Exited meeting at 10:50

Cash Books have been completed through September, but they have not been submitted to PERAC.

Board reviewed and acknowledged the Expense Report through October 2021.

The Board reviewed the staff timesheets through November 22, 2021.

Correspondence Received: The liquidation of HarbourVest 7 was reviewed earlier.

Mr. Hoerr sent in a detailed letter supporting the reasons for the drug testing stipend should be considered regular compensation. Mr. Quirk has yet to review the correspondence. This will be further reviewed at December's meeting.

The PERAC appropriation for FY 2023 was received last week.

Public Records Requests: Town Warrant Committee member has requested information from the board regarding the System dating back to 2008. Staff will assess the scope of the request and provide everything that is available from Segal and the Board's previous actuary, Buck Consultants. Request from Data Response has been completed.

PERAC Memos reviewed #30 and #31 of 2021. The board will review the protocols for IT services and other security issues. Staff put up Pension Fraud posters in office and will send to the member units for distribution.

Member Deaths

<u>Name</u>	<u>Death Date</u>	<u>Option</u>	<u>Years of Service</u>	<u>Retirement Date</u>	<u>Gross Monthly Benefit</u>
Gwendolyn Hynes	10/03/2021	A	12 Years, 3 Months	06/30/1990	\$439.49

Acknowledged the recent passing of Gwendolyn Hynes, former school employee.

Chair's Report: Mr. Gibson procured and reviewed an advance copy of PERAC's November actuarial update. He noted that PERAC has lowered the Commonwealth's actuarial assumed rate of return to 7.00%. PERAC is suggesting similar reductions for other systems going forward. Mr. Gibson reviewed the funding schedules for retirement boards at different time periods, noting that the Board will be pressured to continue to gradually decrease its assumed rate of return for the 2022 valuation. Mr. Carman voiced his concern about moving out the funding schedule beyond its current fully funded target of 2031, citing future OPEB funding obligations.

The PERAC audit update will need to address the Board's actions regarding the Dispatcher's Group 2 classification. Mr. Gibson reviewed recent legislative activities.

Motion by Mr. Vona, seconded by Mr. Carman, to enter Executive Session under Section 7 of open meeting law.

Roll Call:

Mr. Castro	Yes
Mr. Vona	Yes
Mr. Carman	Yes
Mr. Gibson	Yes
Mr. Wellman	Absent

The Motion passed.

Motion by Mr. Carman, seconded by Mr. Vona, to Adjourn Meeting.

Roll Call:

Mr. Castro	Yes
Mr. Vona	Yes
Mr. Carman	Yes
Mr. Gibson	Yes
Mr. Wellman	Absent

The Motion passed.

Meeting adjourns at 11:58 PM.

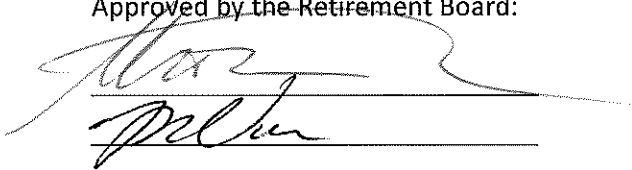
Documents Distributed:

November 22, 2021 Agenda
NEPC November 2021 Presentation
PIMCO 2021 Annual Presentation
PERAC memo #30-31 2021
Powers and Sullivan Draft Financial Statement as of December 31, 2020
PERAC Actuarial Update

Respectfully Submitted,

Robert Soohoo
Executive Director

Approved by the Retirement Board:



A handwritten signature in black ink, appearing to be 'H. Wang', is written over a horizontal line. Below this line are three more horizontal lines, which are currently blank.

December 20, 2021