

Belmont Contributory Retirement Board

Minutes of Meeting of October 25, 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 (absent); Walter Wellman (remote).

Staff Present: Robert Soohoo; Ryan Horan.

Guests (remote): Scott Driscoll, NEPC; James Quirk, Board Attorney; Joe Shelly, Rothschild; Paul Roukis, Rothschild; Adrian Schultes, Carillon.

Identified Public Attendees (remote): James Riccio, Public Safety Communications Dispatcher; Ted Pendergast, Operations Manager Public Safety Communications; Elizabeth Dionne, Warrant Committee Member; Tom O'Brien, Dispatcher; Gar Chung, Financial News; Steff Chavez, Financial Times.

Mr. Gibson called the meeting to order at 9:17 am.

Motion by Mr. Carman, seconded by Mr. Wellman, to approve the September 20, 2021 Board Meeting Minutes.

Roll Call:

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

The Motion passed.

Agenda Item #3 moved to #5

Annual Review of Rothschild Investment: Joe Shelly reviewed Rothschild's investment strategy over the past year and updated the Board on changes at the company. Paul Roukis, the portfolio manager, reported Belmont's returns extending over the past 12 years to present. The focus is on consistent returns as opposed to chasing a big upside. The System received an estimated 12% return net of fees annualized for the past year. Rothschild has stayed above the benchmark, both short and long-term. After reviewing the portfolio holdings, Mr. Shelly and Mr. Roukis left the meeting at 9:34 am.

Agenda Item #5 moved to #6

Mr. Driscoll reviewed the recent RFP for Emerging Market Blended Debt Manager and reported a subsequent major change in key staffing at Eaton Vance, the Board's selected candidate. The Board has not contracted with nor committed funds to Eaton Vance. NEPC recommends further review.

Motion by Mr. Wellman, seconded by Mr. Carman, to have NEPC reopen the search for an Emerging Market Blended Debt Manager.

Roll Call:

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

The Motion passed.

Annual Review of Carillon Investments: Adrian Schultes reported that the strategy has added almost 2 billion dollars since the Board's last meeting with Carillon. Mr. Schultes noted recent staff changes and the relocation of headquarters to Indianapolis. China's economic slowdown and its impact on the global economy was discussed. Carillon may lag the benchmark slightly because of its defensive positioning, while it awaits the right market environment to be aggressive and start investing in down markets. Carillon is down a bit this year but, believes that it will recoup during the 4Q of 2021. Ms. Schultes left the meeting at 09:59 am.

Review of Investments with NEPC: Mr. Driscoll reviewed the System's performance through September 2021. YTD the System's investments have returned 11.04% gross and 11.00% net. Real bond yields are declining which is an alarming trend going forward. Mr. Driscoll reviewed each asset class and described the returns and trends for each individually. Mr. Quirk asked about the impact of China's economic issues. Mr. Driscoll said there is reason for trepidation and that concerns in China may affect the markets going forward. Mr. Gibson discussed the pressures resulting from PERAC's reduction of the Commonwealth's actuarial assumed rate of return to 7%. Mr. Gibson also noted some concerns expressed elsewhere with PRIM's private equity capital calls providing short notice for boards to make funds available.

Future Meeting Dates: November 22, 2021; December 20, 2021; January 24, 2022; February 28, 2022.

Scott Driscoll exited the meeting at 10:20 am.

Board Counsel Report: Mr. Quirk referenced the changes to the post-retirement employment hours as referenced in a recent PERAC memo. The number of annual hours that a retiree is allowed to work in the Massachusetts public sector has been increased from 960 to 1200. The earnings restrictions have not been increased, however. Attorney Quirk referenced information and documentation submitted by the Belmont dispatchers in support of their maintaining Group 2 retirement classification. This information will be reviewed by Mr. Quirk and further discussed at the next meeting. A legislative initiative was also discussed.

Report of the Executive Director: Mr. Soohoo reported that the 2019 and 2020 Section 3(8)(c) bills from Mass Teachers Retirement System stemming from the inclusion of Rosemary Petersen has been resolved. Mr. Soohoo inquired whether board members have completed the required on-line conflict of interest training. Mr. Soohoo and Mr. Gibson discussed issues with an upcoming retirement of a divorced member and the absence of a court-approved Domestic Relations Order. The Board will commence retirement payments to the member, who will then be responsible for paying the alternate

payee the calculated amount until the DRO is executed, approved, and submitted to the Board, at which point the Board will commence payment to the alternate payee. Appropriate written agreements have been executed.

Mr. Horan updated the board on the new website. The Board has reviewed and approved the website and Mr. Horan will start the transition with the vendor have the updated website go live.

Cash Books have been submitted through August to PERAC.

The Board reviewed the staff timesheets through September 20, 2021.

Board reviewed and acknowledged the Expense Report through September 2021.

Motion by Mr. Wellman, seconded by Mr. Carman, to approve September's Expense Warrant.

Roll Call:

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

The Motion passed.

No Correspondence Received.

No Public Records Requests

PERAC Memos reviewed #25 through #29 of 2021.

Enrollment of New Members

<u>Name</u>	<u>Mem Date</u>	<u>Position</u>	<u>Department</u>	<u>Group</u>
Ian King	09/27/2021	Facilities Manager	Facilities	1
Scott Troup	10/18/2021	Central Fleet Main Supervisor	Highway	1
Jenna Kelly	09/01/2021	Classroom Assistant	School	1

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>
-------------	-------------------	---------------	-------------------------	------------------------	------------------------------

John Malone	08/26/2021	Option C Pop- Up	21 Years, 1 Month	06/30/1994	\$2,983.24
Carmela Santoro	08/30/2021	Survivor Option C	31 Years, 7 Months	09/15/1988, 03/25/2005	\$1,694.92

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

Roll Call:

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

The Motion passed.

Acknowledged the recent passing of John Malone, retired Public Health Director and Carmela Santoro, survivor of Dominic Santoro.

Chair's Report: Town Clerk Ellen Cushman recently communicated with Mr. Gibson regarding the appropriate location for posting of Board minutes and meeting agendas, noting the Board's status as an independent governmental unit with its own website. Currently agendas and minutes are posted on both the town's website and the System's website, and there have been some gaps as a result. The board members agreed that continuing to post this information on the town's website as well as the System's is in the best interests of all parties and the public. Minutes that may be missing will be provided to the Town Clerk's office. Mr. Gibson reminded board members to complete the mandatory on-line conflict of interest training. Mr. Gibson reviewed the presentations delivered at the virtual Fall MACRS Conference earlier this month. There has been no movement on the COVID retirement enhancement bill. There has been a favorable recommendation from the Public Service Committee on PERAC's bill to allow for a longer period for veterans to purchase military service credit.

Motion by Mr. Wellman, seconded by Mr. Carman, to post agendas and meeting minutes on the town's website as well as the System's website going forward.

Roll Call:

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

The Motion passed.

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

Roll Call:

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

The Motion passed.

Meeting adjourns at 11:09 PM.

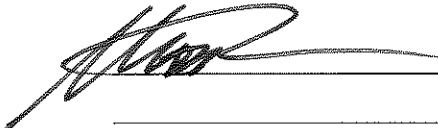
Documents Distributed:

October 25, 2021 Agenda
NEPC October 2021 Presentation
NEPC Emerging Debt Search Correspondence
Carillon 2021 Annual Presentation
Rothschild 2021 Annual Presentation
PERAC memo #25-29 2021
Powers and Sullivan Draft Financial Statement as of December 31, 2020

Respectfully Submitted,

Robert Soohoo
Executive Director

Approved by the Retirement Board:



November 22, 2021

