

Belmont Contributory Retirement Board

Minutes of Meeting of August 29, 2022

Meeting Conducted Pursuant to Section 4 of Chapter 107 of the Acts of 2022

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

Staff Present: Robert Soohoo; Ryan Horan.

Guests (remote): Kevin Leonard, NEPC; James H. Quirk, Jr., Esq., Board Counsel; Kathy Riley, SEGAL; Clark Holland, Carillon; Jeff Agne, Rothschild; Paul Roukis, Rothschild; Joe Shelly, Rothschild.

Identified Public Attendees (remote): Ted Pendergast, Operations Manager, Public Safety Communications; James Riccio, 911 Comm; Madeline Katz, Mandatewire; Jennifer Hewitt, Assistant Town Administrator; Geoffrey Lubien, Warrant Committee.

Mr. Gibson called the meeting to order at 9:15 a.m. and introduced the Board members and guests.

Board Meeting Minutes: The Board reviewed the July 25, 2022 Board Meeting Minutes.

Motion by Mr. Vona, seconded by Mr. Carman, to approve the July 25, 2022 Board Meetings Minutes.

Roll Call:

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

The Motion passed.

Mr. Gibson reported that on August 18th, he and Kathy Riley participated in a discussion of the 2022 valuation and funding schedule with representatives of the Select Board and Warrant Committee. Input on various funding scenarios and actuarial assumptions were reviewed. The consensus was that the Board's consideration of reducing the assumed rate of investment return to 7%, while moving the fully funded date back one year to 2030, and maintaining the annual increases at 4.45% was reasonable. Mr. Gibson noted his appreciation for the Town's involvement and recommendations.

Motion by Mr. Vona, seconded by Mr. Carman, to accept the preliminary 2022 Valuation and adopt funding schedule 1 as recommended by Segal.

Roll Call:

Mr. Castro	Yes
Mr. Vona	Yes

Mr. Carman	Yes
Mr. Gibson	Yes
Mr. Wellman	Absent

The Motion passed.

Kathy Riley exited the meeting at 9:43 AM.

Carillon Annual Review: Mr. Holland discussed the recent move of the headquarters to Indianapolis. Staffing changes which resulted were reviewed. The performance of the fund this year was reviewed, as well as historical returns. Mr. Holland gave his opinion on the future of the domestic and international economy going forward.

Clark Holland exited at 10:09 AM.

Rothschild Annual Review: Paul Roukis and Jeff Agne are the two portfolio managers for our Large Cap Value fund. They reviewed the 13 years of historical performance, noting an average return of 11% per year, which is above the benchmark. Jeff Agne discussed the changes to their benchmark over the last year. He reviewed how they have focused on innovative technology companies which they believe have more value. They are not as concerned with the recession that people believe we are in. Data seems to support a healthier economy than many believe.

Paul Roukis and Jeff Agne exited the meeting at 10:34 AM.

Review of Investments with NEPC: Mr. Leonard reviewed the System's investment performance through June 2022, and the two managers who presented today. He discussed the plan's favorable performance compared to other public pension plans. Unfortunately, the plan is still down significantly for the year. Mr. Leonard maintained that the plan should stay the course and not make any major changes. He reviewed performance over different time periods.

Future Meeting Dates: September 19, 2022; October 24, 2022; November 21, 2022.

Kevin Leonard exited the meeting at 11:00 am.

Board Counsel Report: Mr. Quirk discussed the O'Leary case and the SJC's decision that vacation buybacks should not be considered regular compensation. He also touched on how the Vernava SJC decision will not be applied retroactively, due to legislative action, and only active and post-July 1 retirees would be impacted. Mr. Gibson addressed the Vernava case and how this may force the boards to both give refunds and audit those members for any changes this would have on their creditable service. Mr. Quirk provided an update on the appeal for the Group Classification for Dispatchers filed with DALA. Mr. Quirk is asking for the appeal to be expedited, as requested by the Board. Mr. Gibson feels that the best chance for success is the legislation which has been submitted by the Town. Mr. Gibson will invite Representative Rogers to the September meeting for his input with the petition. Atty. Quirk updated the Board on the status of the proposed 5% COLA increase and changes that have been made for local systems. It is currently in the Senate and could be handled in an informal session.

Report of the Executive Director: Mr. Soohoo updated the Board on retiree Stephan Russakow and concerns with his Veteran Bonus. Will review with Mr. Gibson after the Board Meeting. Discussed retired Superior Officer John Hoerr and his request to review the pensionable earnings for Superior Officers Drug Stipend. Board Members will review and discuss at next Board Meeting. Mr. Soohoo

brought up an internal audit and found that data for Dependents were not properly entered in our software. Will work with correcting all benefits. Reviewed Letter sent in by Mr. Ferro requesting a waiver of the dependency overpayment. Mr. Gibson advised that the error met the statutory criteria for waiver.

Motion by Mr. Vona, seconded by Mr. Carman, to waive the over payment of dependent benefits to Mr. Ferro.

Roll Call:

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

The Motion passed.

Update of cash books: Cash Books have been completed for May and will be submitted to PERAC. Internal bank reconciliation was completed through July of 2022, June's reconciliation is pending approval from the Treasurer's Office.

Review of the 2022 Expense Budget: The Board reviewed the Expense Budget through June of 2022.

Motion by Mr. Vona, seconded by Mr. Carman, to approve the August Expense Warrant and August Payroll Warrants.

Roll Call:

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

The Motion passed.

Correspondence Received: The Board received a letter from member Thomas O'Brien asking the board questions about his Retirement Benefit. Mr. Gibson addressed his questions about his Group 2 status and pending retirement and advised that that the Board would grant his requests .

Public Records Requests: All requests have been satisfied.

PERAC Memos: The Board reviewed PERAC Memo #21 regarding the Vernava II decision and PERAC Memo #22 regarding the 5% COLA increase for MSRB and MTRS.

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>
Robyn Greenberg	6/30/2022	Professional Aide	66	18 Years, 4 Months	SupperAnn, Option C	School	1

Motion by Mr. Vona, seconded by Mr. Carman, to approve retirements as listed.

Roll Call:

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

The Motion passed.

Enrollment of New Members

<u>Name</u>	<u>Mem Date</u>	<u>Position</u>	<u>Department</u>	<u>Group</u>
Rosanna Clark	07/11/2022	Children's Librarian	Library	1
Bridget McCaffrey	08/15/2022	Library Assistant	Library	1
Michael Nolan	08/23/2022	Firefighter	Fire	4

Buy Backs

<u>Name</u>	<u>Pay Date</u>	<u>Service Type</u>	<u>Years of Service</u>	<u>Retirement Board</u>	<u>Amount of Purchase</u>
Floyd Carman		Military	2 yrs 8 mths		TBD

Motion by Mr. Vona, seconded by Mr. Castro, to approve New Member Enrollment and Purchases of Service.

Roll Call:

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

The Motion passed.

Chair's Report: Mr. Gibson started the presentation with a discussion of staff compensation and COLA. The staff compensation subcommittee expects to have their recommendations for our September meeting. Mr. Gibson reviewed the sell back of vacation time issues that are being discussed currently. The Town does not take deductions for those earnings so this should not be an issue.

Motion by Mr. Vona, seconded by Mr. Carman, to enter into Executive Session under purpose 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.

Board entered executive session at 11:55 AM.

The board voted to accept the Accidental Disability application for Ronald Mathis and convene a Medical Panel.

Motion by Mr. Vona, seconded by Mr. Carman, 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 12:13 PM.

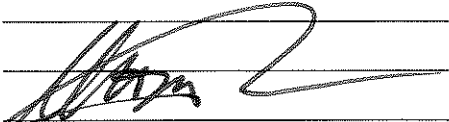
Documents Distributed:

August 29, 2022 Agenda
NEPC August 2022 Presentation
PERAC memo #21 - #22 of 2022
Carillon Presentation
Rothschild Presentation
SEGAL Preliminary Actuarial Valuation as of January 1, 2022

Respectfully Submitted,

Robert Soohoo
Executive Director

Approved by the Retirement Board:



September 19, 2022
