

Belmont Contributory Retirement Board

Minutes of Meeting of November 20, 2023

Meeting Conducted Pursuant to Section 40 of Chapter 2 of the Acts of 2023

Board Members Present: Thomas Gibson, Chair; Walter Wellman (remote); Brian Antonellis, Donna Tuccinardi, Ross Vona (remote). Staff Present: Ryan Horan; Joseph Martin.

Guests Present: James H. Quirk, Jr., Esq., Board Attorney (Remote); Scott Driscoll, NEPC (Remote); MJ Cullinan, Great Lakes Advisors (Remote); Paul Roukis, Great Lakes Advisors (Remote); Joe Shelly, Great Lakes Advisors (Remote); Adrian Shultes, Carillon Reams (Remote).

Identified Public Attendees: James Riccio (remote), Joe Ebisa (remote).

Mr. Gibson called the meeting to order at 9:20 am and introduced the Board Members and guests.

Motion by Ms. Tuccinardi, seconded by Mr. Antonellis, to approve the October 30, 2023, Board Meeting and Executive Meeting Minutes.

Roll Call:

Mr. Wellman	Yes
Mr. Gibson	Yes
Ms. Tuccinardi	Yes
Mr. Antonellis	Yes
Mr. Vona	Yes

The Motion passed.

Annual Review of Great Lakes Advisors: Ms. Cullinan introduced Paul Roukis and Joe Shelly. Joe Shelly discussed the deal that moved Rothschild under the new Great Lakes Advisors moniker. Mr. Roukis then discussed the fund and how much the Board has invested and how much has been paid out over the time that we have been invested with them. He discussed inefficiencies in the market and how they analyze stocks as opposed to predicting the market at large. Current investments were reviewed, as well as market projections. Mr. Driscoll explained the value the Board is provided by having Great Lakes active management, and how the investment complements others in the fund.

MJ Cullinan, Joe Shelly and Paul Roukis exited the meeting at 9:40 AM.

Annual Review of Carillon Reams Asset Management: Adrian Shultes updated the Board on changes in job titles for many employees of the firm. Mr. Shultes explained how fixed income has become much more interesting of late due to the changes in yields over the past year, which has impacted allocations. The two largest drivers in their portfolio have been mortgages and long duration loans. Reams retains the ability to react to opportunities, more than predicting where the market will go. This will be especially useful if more opportunities arise in mortgages. Mr. Vona asked about what will happen if the Fed starts lowering rates. Mr. Shultes said this is why they are focusing on long duration products now, so that if that happens then they should still be in a good position and are prepared for this eventuality.

Adrian Shultes exited the meeting at 9:57 AM

Review of Investments with NEPC: Mr. Driscoll presented a current market update. The month of November has seen a slight bounce back after the market fell during October. Unless there is a very significant run in the markets come December, the Board is not likely to meet the assumed rate of investment return for 2023. Mr. Driscoll reviewed in detail the weighting in certain asset classes as we come to the end of 2023. He then reviewed the pacing plan for private equity over time. NEPC recommends that the Board keep its private equity in line with its allocation target, and recommends committing two million to PRIM's 2024 Vintage Year Private Equity Program.

Motion by Mr. Vona, seconded by Mr. Antonellis, to accept NEPC's recommendation to commit two million dollars to PRIM's 2024 Vintage Year Private Equity Program.

Roll Call:

Mr. Wellman	Yes
Mr. Gibson	Yes
Ms. Tuccinardi	Yes
Mr. Antonellis	Yes
Mr. Vona	Yes

The Motion passed.

Future Meeting Dates: December 18, 2023; January 22, 2024; February 26, 2024; March 25, 2024.

Mr. Driscoll exited the meeting at 10:33 AM.

Board Counsel Report: Mr. Quirk reported that MA Lawyer's Weekly has begun to cover DALA and CRAB cases. Mr. Quirk specifically discussed the recent DALA decision involving standing to purchase the Military Service Credit by veterans. He also discussed several other cases that may impact benefits and the operations of the retirement systems.

Report of the Executive Director: Mr. Horan updated the Board on the issue with extra 2% deductions over \$30,000 with the Belmont School Department. Staff and BPS personnel are working with MUNIS, the payroll vendor for the Town, to rectify the issue. Once fixed, staff will bill members who have under contributed. Mr. Horan reported a possible change to the bank the Town will be using in the next year, moving accounts from Citizens to M&T Bank. If the Town's transition goes smoothly, he recommends that the Board follow suit, noting that M&T Bank is also the System's custodial bank.

Mr. Horan reported on an issue with the IRS. The Town has received a notice of fines levied by the IRS for delays in paying the taxes that comes from retirement payrolls. Due to a changes in staff at the Belmont Treasurer's Department, the taxes from the monthly retiree payrolls, which are sent from the Town to the IRS, were not being filed for an extended period of time, resulting in the IRS fine. The Belmont Treasurer has requested waiver and has provided an explanation for the delay. This should not be an issue going forward, and Mr. Horan and the Treasurer are working on protocols for future filings.

The Board reviewed the Budget through November 2023.

Update of cash books: Mr. Horan advised that the Cash Books for July and August have been submitted and September will be submitted in the next week. Bank reconciliation has been done internally through October. The Town has also completed all bank reconciliations through October as well, thanks to the efforts of the new Town Treasurer.

Correspondence Received: None.

Public Records Requests: All requests have been satisfied.

PERAC Memos: PERAC Memo #23: Paid Family Medical Leave update about regular compensation. PERAC Memo #24a: Outsourced CIO Regulations. PERAC Memo #25: Municipal Cybersecurity Awareness Grant Program, which the staff will sign up for this month.

Approval of Expense and Payroll Warrants

Motion by Mr. Antonellis, seconded by Ms. Tuccinardi, To approve the November Expense Warrants.

Roll Call:

Mr. Wellman	Yes
Mr. Gibson	Yes
Ms. Tuccinardi	Yes
Mr. Antonellis	Yes
Mr. Vona	Absent

The Motion passed.

Update on Board Election: Nomination papers were returned by one candidate, Walter Wellman, containing the requisite twenty signatures from members of the system as certified by Ryan Horan, the appointed election officer. The Chair explained that under PERAC Regulation 840 CMR 7.05, when the Board determines that only one candidate has been nominated, such as is the case here, the Board shall declare said candidate to be the elected member of the board, with no election held.

Motion by Mr. Vona, seconded by Ms. Tuccinardi, to declare Walter Wellman as the elected 4th member of the Board.

Roll Call:

Mr. Wellman	Present
Mr. Gibson	Yes
Ms. Tuccinardi	Yes
Mr. Antonellis	Yes
Mr. Vona	Yes

The Motion passed.

Enrollment of New Members

<u>Name</u>	<u>Mem Date</u>	<u>Position</u>	<u>Department</u>	<u>Group</u>
Ru Chen	11/6/2023	Professional Aide	School	1
Candy Figueroa	9/14/2023	Cafeteria Worker	School	1
Vana Keledjian	11/1/2023	Professional Aide	School	1

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>
Richard Bemis	12/29/2023	Operations Manager - DPW	66	39 Years, 1 Months	SuperAnn, Option C	DPW	1
Judith Carmody	12/31/2023	Business Manager	64	23 Years, 11 Months	SuperAnn, Option C	DPW	1
Micheal Santoro	12/31/2023	Asst. DPW Director	61	42 Years, 6 Months	SuperAnn, Option C	DPW	1

Motion by Ms. Tuccinardi, seconded by Mr. Antonellis, to approve retirement benefits for November.

Roll Call:

Mr. Wellman	Yes
Mr. Gibson	Yes
Ms. Tuccinardi	Yes
Mr. Antonellis	Yes
Mr. Vona	Yes

The Motion passed.

Motion by Ms. Tuccinardi, seconded by Mr. Antonellis, to approve new members and purchases of service.

Roll Call:

Mr. Wellman	Yes
Mr. Gibson	Yes
Ms. Tuccinardi	Yes
Mr. Antonellis	Yes
Mr. Vona	Yes

The Motion passed.

Chair's Report: Mr. Gibson reported that PERAC, as the statutory actuary for the State and State Teacher's Retirement System, is maintaining the assumed rate of return at seven percent. He next discussed Powers & Sullivan's recently completed December 31, 2022 and 2021 Basic Financial Statement, and requested the Board's acceptance. Mr. Gibson then discussed the 5th member Board Position, the term of which will be expiring in February of 2024. Staff will be post notice on the website, the Town's website and PERAC's website after this meeting.

Motion by Ms. Tuccinardi, seconded by Mr. Antonellis, to approve the Basic Financial Statements for December 2021 and 2022.

Roll Call:

Mr. Wellman	Yes
Mr. Gibson	Yes
Ms. Tuccinardi	Yes
Mr. Antonellis	Yes
Mr. Vona	Yes

The Motion passed.

Motion by Mr. Wellman, seconded by Ms. Tuccinardi, to enter Executive Session under Purpose 7 of Open Meeting Law, and to reopen in open session thereafter.

Roll Call:

Mr. Wellman	Yes
Mr. Gibson	Yes
Ms. Tuccinardi	Yes
Mr. Antonellis	Yes
Mr. Vona	Yes

The Motion passed.

In the executive session the Board made a motion to accept the Accidental Disability Applications from Earle Frazier and Christopher Drinan and have PERAC convene a Medical Panel.

Motion by Ms. Tuccinardi, seconded by Mr. Antonellis, to adjourn the Meeting.

Roll Call:

Mr. Wellman	Yes
Mr. Gibson	Yes
Mr. Antonellis	Yes
Ms. Tuccinardi	Yes
Mr. Vona	Yes

The Motion passed.

Meeting adjourns at 11:40 AM.

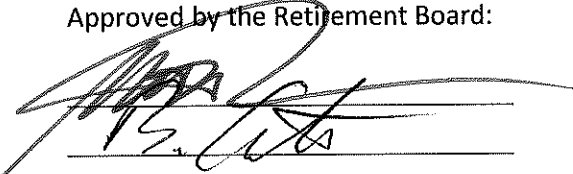
Documents Distributed:

- November 20, 2023, Agenda
- NEPC November 2023 Presentation
- PERAC Memos #23, 24a, 25
- Great Lakes Advisors Presentation
- Reams Presentation
- Letter about IRS Issue from Leslie Davidson

Respectfully Submitted,

Ryan Horan
Executive Director

Approved by the Retirement Board:



December 18, 2023
