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THE MINUTES
OF THE
CONTRIBUTORY RETIREMENT BOARD
OF THE
TOWN OF BELMONT

JANUARY 23, 2013

The meeting was called to order by Chairman Sacco at 8:20 A.M. Member present were

Rosario Sacco, Chairman	Thomas Gibson, Vice-Chairman
Chitra Subramanian, Ex-Officio	Walter Wellman, Elected Member
James Sloman, Appointed Member	

Also present was the Board's Attorney James H. Quirk, Jr. P.C. and NEPC Consultant Scott Driscoll:

Mr. Quirk talked about updating the Investment Objectives. Discussion at a later meeting. Appropriation for Fiscal Year 2014. Actuarial schedule not yet completed. The Board members want to have Mr. Driscoll of Buck come with some figures for 2014. Town Administrator David Kale would like a schedule as soon as possible so he can finalize the budget for 2014. A meeting will be scheduled with Mr. Driscoll as soon as possible, with Mr. Kale.

PERAC MEMO #58 – Mandatory Retirement Board Training
 PERAC MEMO #59 - Updated 91A Earned Income worksheet
 PERAC MEMO #60 - Annual Review of Medical Testing Fee
 PERAC MEMO # 1 - 2013 Limits of Ch 46 of the Acts of 202 – Compensation Limit
 PERAC MEMO # 2 - 2013 Limits under Sec 23 of Chap. 131 of 2010
 PERAC MEMO # 4 - Buyback and Make up Repayment Worksheet
 PERAC MEMO # 5 - Chap. 176 of 2011 – A & F Commission
 PERAC MEMO # 6 - Preparing 2012 Annual Statement
 PERAC MEMO # 7 - Update of MEMO #4 – and MEMO #23 – buy back & make up
 PERAC MEMO # 8 - On-Line training for Educational Credits
 Tax exempt status from IRS

Board Member Tom Gibson wrote instructions to employees who may want to buy back prior service before April 2, 2013.

PERAC determined that the Ethics Test is worth 3 credits

Scott Driscoll presented the Board the Market Performance Update as of January 23, 2013. He told the Board that they will discuss the asset allocation at our next meeting. We may want to trim back Hedge Funds. Small cap are up 16%. Momentum continuing into 2013. Return through December 31, 2012 was 12.3%. It may bump up a little when final figures are available. PIMCO 17.4% return was pretty strong. He will email the Board with a final performance number.

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Tom stated that this was good news.

Roy stated that he has concerns about Mondrian. Scott said he has no concerns.

Soctt advised the Board to have an RFP for Secondary Private Equity. He will do the RFP's He will have a search book for March meeting and Board can make a decision in April. He will start bringing managers in March. Board Member Tom Gibson made a motion, it was seconded and it was unanimously VOTED to authorize NEPC initiate a RFP for a Secondary Private Equity product for \$2M.

Chairman Sacco said he would like to start on a RFP for an Actuary.

Tom has no problem supporting a COLA for retirees. He stated that 401K's are a failure for retirees.

PERAC MEMO #5 A & F study. Mr. Quirk it is a dangerous path trying to get out of a Retirement System. He reported on a prior Baras Case vs PERAC, was successful in Superior Court and reversed on appeal.

Upon a motion duly made and seconded it was unanimously VOTED to approve the minutes of the December 28, 2012 regular monthly meeting.

Upon a motion duly made and seconded it was unanimously VOTED to approve Warrant #1301 in the amount of \$897,087.24.

Upon a motion duly made and seconded it was unanimously VOTED to grant Superannuation Retirement effective January 26, 2013 to Jay Szklut, Planning and Economic Development Manager. Option B – 17 years 9 months creditable service. 10 years 8 months in Hull and 7 years 1 month in Belmont.

Upon a motion duly made and seconded it was unanimously VOTED to grant membership to:

- a. Marty Kozelian, Inspector in Community Development, effective January 7, 2013.
- b. Robert P. Reardon, Jr. Public Information Specialist, effective January 1, 2013
- c. A. Robin Tillberg, effective December 28, 2012 IS Manager for Electric Light Dept.
- d. Evens Mondesir, effective January 8, 2013, METCO tutor in Middle School

Note deaths of retiree John Arno on December 27, 2012, retired June 30, 1992, Parking Meter Attendant 17 years 9 months – Option A

Nunzio Romano on December 17, 2012 – retired School Custodian. Retired June 30, 1995, Option B – 16 years 3 months membership. There is no balance for his beneficiary.

Actuarial by Buck – Marcus Cleary no longer works for Buck. David Driscoll has taken over our account. The Board would like a meeting soon with David to discuss the Actuarial assumptions and schedules.

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The Retirement System budget was presented to the Board. After review and discussion, the Board VOTED unanimously to grant Marion a 2% raise effective January 1, 2013 and to increase the Postage amount from \$2,700 to \$7,700. There may be a large mailing if we have a Board election this year. The budget was approved unanimously with these changes.

Letter from Sasha Talcott, Account Manager at PIMCO stating that PIMCO is not an Investment Manager And that we are invested in a Mutual Fund managed by PIMCO.

NEPC, LLC monthly Update

HarbourVest Partners monthly statement

Rothschild December monthly statement

SCOUT Funds – December monthly statement

PIMCO - December monthly statement

Upon a motion duly made and seconded it was unanimously VOTED to schedule the next two meetings, February 25 and March 25, 2013.

Upon a motion duly made and seconded it was unanimously VOTED to adjourn the meeting at 9:30 A.M.

A true copy:

ATTEST: Rosario A. Sacco
CHAIRMAN

Rheta V. Subramanian
VICE-CHAIRMAN
EX-OFFICIO

ELECTED MEMBER

APPOINTED MEMBER

BELMONT, MASS. CO 3		BUDGET YEAR 2013 EXPENSES - 2013 BUDGET		2012 ACTUAL EXPENSES	
	2013 BUDGET	2012 Budget	2012 Actual Expenses	2013 Budget	
TELEPHONE	\$1,200.00		\$1,116.15	\$1,300.00	
OFFICE SUPPLIES	\$2,000.00		\$1,702.30	\$2,000.00	
SUBSCRIPTIONS	\$500.00		\$2,317.00	\$500.00	
DUES	\$650.00		\$625.00	\$650.00	
LEGAL	\$21,000.00		\$21,527.47	\$22,000.00	
MEDICAL	\$50.00		\$0.00	\$50.00	
COMPUTER EXP.	\$5,800.00		\$6,000.00	\$5,800.00	Including Disaster Recovery
MAINT.CONTRACT	\$14,000.00		\$14,322.00	\$14,000.00	
AUDIT	\$7,000.00		\$8,000.00	\$8,000.00	
ACTUARIAL	\$8,000.00		\$0.00	\$8,000.00	
EDUCATION	\$9,000.00		\$8,905.55	\$9,000.00	Education & Travel
SALARIES/STIPEND	\$102,000.00		\$100,081.60	\$103,000.00	voted 2% increase for Marion
POSTAGE	\$2,600.00		\$2,640.73	\$5,000.00	if election needed
FURNITURE & EQUIP	\$1,000.00		\$1,000.00	\$1,000.00	
A.O.L.	\$250.00		\$266.40	\$300.00	
INSURANCE (LIAB)	\$5,000.00		\$4,824.00	\$5,000.00	
TOTAL	\$180,050.00		\$173,328.20	\$185,600.00	
MANAGERS			\$297,923.48		\$325,000.00
CONSULTANT			\$47,500.00		\$45,000.00
CUSTODIAN			\$30,516.00		\$35,000.00
TOTALS	\$180,050.00	\$430,000.00	\$173,328.20	\$375,939.48	\$405,000.00
		\$610,050.00		\$549,267.68	\$590,600.00

On January 23, 2013 the Retirement Board Voted to approve this budget (increase in Postage to \$5,000 and increase for Appropriation for 2014 has not been finalized by PERAC or the Retirement Board. Signed *Marion E. Cote* 1/23/13 Marion 2%

Meeting was postponed to January 31, 2013. Budget for 2013 approved by the Board at this meeting.

Marion E. Cote
Retirement Administrator

SCHEDULE E - COST ALLOCATION BY GROUP
as of January 1, 2012

Item	Town of Belmont	Housing Authority	Light Department	Water	School	Police & Fire	Total
Active members:							
Number	146	7	24	10	143	102	432
Annual compensation	6,893,440	331,183	1,782,898	611,679	4,127,426	7,076,626	20,823,252
Average age	49.2	51.8	45.8	51.4	47.4	41.4	46.67
Average service	10.4	12.8	13.6	18.2	7.5	12.4	10.31
Average compensation	47,215	47,312	74,287	61,168	28,863	69,379	48,202
Accumulated contributions	6,437,969	340,967	1,518,571	653,060	3,158,665	7,021,878	19,131,110
Pensioners and beneficiaries paid by the town:							
Number	100	4	27	14	62	134	341
Annual benefit payments	2,238,746	79,300	748,869	394,214	864,493	4,919,592	9,245,214
State funded COLA	30,487	0	6,408	10,641	22,078	70,454	140,068
Net payments (funded by Town)	2,208,259	79,300	742,461	383,573	842,415	4,849,138	9,105,146
Average benefit	22,083	19,825	27,499	27,398	13,587	36,188	26,701
Inactive members:							
Number	17	0	2	1	119	2	141
Accumulated contributions	314,960	0	152,964	16,181	363,074	133,008	980,187
Assets (actuarial value)	22,227,888	1,067,899	5,748,952	1,972,358	13,308,880	22,818,572	67,144,549
Unfunded actuarial liability	22,381,484	1,223,400	5,991,091	1,955,882	13,197,706	22,627,959	67,377,522
Funding for fiscal:							
2013	2,208,644	125,958	588,425	182,019	1,155,260	2,205,892	6,466,198
2014	2,288,689	134,753	612,701	199,996	1,349,510	2,313,784	6,899,433
2015	2,443,208	142,255	653,599	213,568	1,441,090	2,470,805	7,364,523
2016	2,609,284	150,311	697,529	228,159	1,539,548	2,639,613	7,864,444
2017	2,787,816	158,973	744,725	243,849	1,645,419	2,821,131	8,401,913