

Belmont Contributory Retirement Board

Minutes of Meeting of July 28, 2020

Conducted Pursuant to the March 12, 2020 Order of the Governor
Suspending Certain Provisions of the Open Meeting Law

Board Members Present: Thomas Gibson (Remote); Walter Wellman (remote); Chitra Subramanian (absent); Floyd Carman (remote); Ross Vona (remote).

Staff Present: Robert Soohoo; Ryan Horan.

Guests: Scott Driscoll, NEPC (remote), Ken Johnson, Loomis Sayles (remote), Kristen Doyle, Loomis Sayles (remote), Joe Beauparlant, Loomis Sayles (remote).

Identified Public Participants: Chris Doyle, Belmont Warrant Committee (remote).

Mr. Gibson called the meeting to order at 9:23 am.

Annual Investment Manager Review of Loomis Sayles – The Board reviewed the investment performance over the past year. Ken Johnson reported that the market been resilient as reflected in the returns for the 2nd quarter 2020. Loomis has been recovering very well of late, and is currently ahead of the benchmark on a YTD basis. Exposure to high yield credit has been helpful. Loomis discussed the different possible catalysts that would likely happen later this year; the impact of the pandemic, the stimulus packages and the election. Loomis reported on the shifts in the portfolio that have happened in the last year, especially what was done in March of 2020.

Loomis Sayles' representatives exited meeting at 9:45 AM.

Presentation by NEPC – Scott Driscoll reviewed Belmont's June 2020 and year to date investment performance. Scott confirmed that Loomis Sayles has added value with their strategies working in the current market. NEPC has been providing regular updates on the market turmoil and subsequent rises. The credit market has had large rises in the last 18 to 24 months. Alternatively, core bonds and all bonds have fallen due to the credit rates being reduced to zero. Total plan performance has rebounded significantly during the second quarter. The Board discussed potential changes in the real estate market, specifically the lessening need for corporate space, and whether to reduce exposure. Scott suggested that PRIM focus on real estate exposure during its yearly review for this year (for August possibly with someone from the real estate team). Scott reviewed the 2019 investment fees in response to the Chair's request, including custody costs and consultant fees. Costs are approximately 60 basis points, which, according to NEPC, are less than other similar public pension funds. The System participates in many of PRIM's investments, including private equity and real estate which is beneficial in terms of fees. The Board authorized the transfer of \$3.2 million of the FY 2021 appropriation to People's United for investment.

Future Meeting Dates: August 31, 2020; September 21, 2020; October 26, 2020; November 23, 2020.

Mr. Driscoll exited meeting at 10:25 am.

Review of Budget. The Board reviewed the 2020 Budget through June.

Cash Books Update. 2020 Cash Books through April have been submitted to PERAC.

Review and Acceptance of Minutes.

Motion by Mr. Vona, seconded by Mr. Wellman, to approve the June 22, 2020 Board Meeting Minutes.

Roll Call:

Mr. Wellman	Yes
Mr. Vona	Yes
Mr. Carman	Yes
Ms. Subramanian	Absent
Mr. Gibson	Yes

The motion passed.

Board Counsel was unable to attend the meeting due to a conflict in schedule.

Report of the Executive Director. Mr. Soohoo discussed with the building's owner its plans to increase cleaning and sanitization due to the pandemic. The owner has no plans to change current services at this time. Mr. Soohoo will reach out to Wesley Chin of the Belmont Health Department to review the office and building COVID-19 requirements. Staff will be returning to office full time on Monday, August 3rd, 2020, consistent with the Town of Belmont's plan. Staff will obtain appropriate cleaning and safety supplies. The Town will not be open to the public until the beginning of September. All required postings regarding COVID-19 are clearly displayed in office. Staff will commence work for the scheduled election of the third member of the Board, to take place in December.

Motion by Mr. Vona, seconded by Mr. Carman, to appoint Ryan Horan the Election Officer.

Roll Call:

Mr. Wellman	Yes
Mr. Vona	Yes
Mr. Carman	Yes
Ms. Subramanian	Absent
Mr. Gibson	Yes

The motion passed.

Review and Approval of Expense and Payroll Warrants.

Motion by Mr. Vona, seconded by Mr. Wellman, to approve June Expense Warrant and July Payroll Warrant.

Roll Call:

Mr. Wellman	Yes
Mr. Vona	Yes
Mr. Carman	Yes

Ms. Subramanian Absent
Mr. Gibson Yes

The motion passed.

No Correspondence received for review.

PERAC Memos. PERAC Memo #25 provided information on upcoming education seminars. PERAC Memo #26 addressed reinstatement to service issues under Section 105.

Enrollment of New Members

<u>Name</u>	<u>Mem Date</u>	<u>Position</u>	<u>Department</u>	<u>Group</u>
Amy Loustau	07/01/2020	Children's Librarian	Library	1

Motion by Mr. Wellman, seconded by Mr. Vona, to accept new enrollment.

Roll Call:

Mr. Wellman Yes
Mr. Vona Yes
Mr. Carman Yes
Ms. Subramanian Absent
Mr. Gibson Yes

The motion passed.

The Board acknowledged the passing of retiree Brian Jennings.

Chairman's Report. Mr. Gibson reviewed the 2019 PERAC Annual Report. Mr. Gibson reported on his discussions with Kathy Riley regarding the status of the System's 2020 Valuation, actuarial assumptions, and the funding schedule scenarios. Bridget Orr reached out to Robert about data that had been supplied to Segal, which is now complete. Kathy Riley will have projections for review at the August Board Meeting. Mr. Gibson noted recent comments made at Belmont Financial Task Force meeting which asserted that the Town has a "very expensive" retirement system. He requested that an analysis of expenses and benefits be commenced by staff and discussed at the August meeting. Chris Doyle suggested that the operational cost is what is being questioned. It would be helpful if the Board would have a comparison of those costs with other similarly situated retirement boards across the state.

Chris Doyle left meeting at 11:18am

Motion by Mr. Wellman, seconded by Mr. Vona, to enter executive session under Purpose 2 of the Open Meeting Law at 11:20 a.m., and to not reconvene in open session.

Roll Call:

Mr. Wellman Yes

Mr. Vona Yes
Mr. Carman Yes
Ms. Subramanian Absent
Mr. Gibson Yes

The motion passed.

Exited Executive Session at 11:28 a.m.

The Board Voted in Executive Session to accept Mr. Tatten's Disability Application and to submit a Medical Panel request to PERAC.

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

Roll Call:

Mr. Wellman Yes
Mr. Vona Yes
Mr. Carman Yes
Ms. Subramanian Absent
Mr. Gibson Yes

The Motion passed.

Meeting adjourns at 11:29 AM.

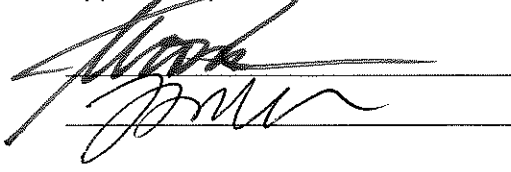
Documents Distributed:

July 28, 2020 Agenda
2020 Budget through June
NEPC July Presentation
Loomis Sayles 2020 Presentation
PERAC investment reports

Respectfully Submitted,

Robert Soohoo
Executive Director

Approved by the Retirement Board:



August 31, 2020