

Belmont Contributory Retirement Board

Minutes of Meeting of November 23, 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; Walter Wellman (remote); Floyd Carman (remote); Ross Vona.

Staff Present: Robert Soohoo; Ryan Horan.

Guests (Remote): Kevin Dunne, PIMCO; Brandon Kunz, PIMCO; Kiley Fischer, NEPC; Scott Driscoll, NEPC; James Quirk, Board Attorney; Elizabeth Dionne, Town Warrant Committee; Emily Margolis, AEW; Stephen Reissfelder, AEW.

Identified Public Participants: Elizabeth Dionne.

Mr. Gibson called the meeting to order at 9:15 am.

Annual Investment Manager Review – PIMCO. Kevin Dunne and Brandon Kunz reviewed PIMCO's performance and the fund's strategy. The recent vaccine news has been very favorable for the asset-based markets. Pre-COVID positioning had been very defensive. Once the virus struck, exposure to new types of equities was increased. PIMCO has now moved back to a more neutral position in the current market. The portfolio is yielding 3.6% , which is well above market, by using non-U.S. based and other value stocks. The interest rate, the value of the dollar and the global value premium will all be carefully watched going forward.

Kevin Dunne and Brandon Kunz exited meeting at 9:38 AM.

Annual Investment Manager Review – AEW. Emily Margolis and Steve Reissfelder presented a detailed update of the AEW Core Property Trust and Partners VI performance. They reviewed the changes to the strategy over the past few years, and the dividends that have been paid out to the System. The Core Property Trust has been very successful even in a COVID world which is shown by the 95% residential occupancy rate it has maintained. The performance on a YTD basis is down, however, due to retail and commercial. There are no near-term loan maturity issues. They reviewed changes to their positioning over the last few years, and will be focusing on the industrial sector.

Emily Margolis and Steve Reissfelder exited meeting at 10:11 AM.

Presentation by NEPC – Scott Driscoll reviewed investment performance through October and addressed the impact of market volatility on performance and the pandemic's impact on the real estate market, commenting on the presentations from AEW and PIMCO. Post-election, the markets have traded up significantly. The big technology names have continued to drive up the market so far this year. The plan is now up .1% on the year so far, fully recovering from the 12% drop suffered in the first quarter of the year. The System will likely not meet it's assumed return of 7.15%, but the plan should have positive returns after a disastrous first quarter. Fixed income is driving the performance, and returns are mostly in the top quartile as compared to peers. Tom reported on his recent communication with PERAC regarding incorrectly reported investment costs. Tom O'Donnell has confirmed that the

2018 fees were based on incorrect data and are .68%, as opposed to the .75% was reported by PERAC. Mr. Driscoll will send additional information to present to the Warrant Subcommittee.

Future Meeting Dates: December 21, 2020; January 25, 2021, February 22, 2021, March 22, 2021.

Scott Driscoll and Kiley Fischer exited meeting at 11:11 am.

Tom asked the Board for input to the Warrant Subcommittee's questions, as requested by Elizabeth Dionne, a member of the subcommittee. The Board has not yet received SEGAL's written responses to those questions.

The Board acknowledged the notification of the Fourth Extension of the Dover Street Fund VII.

The Board reviewed and acknowledged the status of the Budget through October 2020. Staff will create a draft 2021 Budget. With references to budget comparisons with other systems, Robert will continue to gather more data from other boards.

Review and Acceptance of Minutes.

**Motion** by Mr. Vona, seconded by Mr. Carman, to approve the October 26, 2020 Board Meeting Minutes.

Roll Call:

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

The motion passed.

Report from the Board Attorney James Quirk: Mr. Quirk reported Kate Hogan of PERAC passed away this week. This may affect active disability cases going forward. Mr. Quirk has reviewed the contracts regarding whether certain payments for drug testing and monitoring are regular compensation and will report at the next meeting.

Report of the Executive Director: Mr. Soohoo reviewed the Power's and Sullivan representation letter. The Board reviewed the draft of Powers & Sullivan Basic Financial Statement as of December 31, 2019, and will request change of Custodial Bank from State Street to People's Bank on page 14.

**Motion** by Mr. Wellman, seconded by Mr. Carman, to accept the Powers & Sullivan representation letter.

Roll Call:

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

The motion passed.

**Motion** by Mr. Vona, seconded by Mr. Wellman, to approve the Powers & Sullivan Basic Financial Statement as of December 31, 2019.

Roll Call:

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

The motion passed.

Review and Approval of Expense and Payroll Warrants.

**Motion** by Mr. Vona, seconded by Mr. Carman, to approve November Expense Warrant and the October and November Payroll Warrant.

Roll Call:

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

The motion passed.

Correspondence Received: All correspondence was reviewed previously.

PERAC Memos: Board reviewed and acknowledged PERAC Memos #32 and #33.

Request for Superannuation Retirement

<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>
Chitra Subramanian	10/31/2020	Town Accountant	66	16 Years, 10 Months	SA, Option B	Govt.	1

**Motion** by Mr. Vona, seconded by Mr. Carman to accept the Retirement Application.

Roll Call:

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

Mr. Gibson                      Yes

The motion passed.

Enrollments of New Members

<u>Name</u>	<u>Mem Date</u>	<u>Position</u>	<u>Department</u>	<u>Group</u>
Mark Piccarini	11/16/2020	Eng. & Ops Director	Light	4
Komako Akai	9/1/2020	Pro. Aide	School	1
Sarah Mulcahy	9/1/2020	Pro. Aide	School	1
Donna Joyce	9/1/2019	Campus Monitor	School	1

**Motion** by Mr. Vona, seconded by Mr. Carman, to approve New Members Enrollment.

Roll Call:

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

The Motion passed.

The Board acknowledged the passing of Richard Lane, retired from the Belmont Police Department.

Chairman’s Report: Mr. Gibson’s term as the Fifth Member ends in February of 2021, and the appointment application process is starting. Mr. Gibson announced he will be seeking reappointment. Ryan Horan, the Election Officer, will post public notice with PERAC, on the Retirement Board’s website, and with the Town Clerk’s Office. The currently vacant Ex-Officio member’s position will hopefully be resolved soon, as it is preferable for all four board members to vote for the fifth member.

There is a legislative initiative to extend the law allows superannuated retirees to work in the public sector without limitations.

The Board noted a letter sent to Tom by PERAC regarding disinterested witnesses. PERAC’s view is that staff can witness a member’s retirement forms, but Board Members are ineligible.

Board Member Election by Declaration. Mr. Horan, as the Election Officer, reported that only one candidate for the elected member’s position returned nomination papers with the requisite number of signatures, which he has certified.

**Motion** by Mr. Vona, seconded by Mr. Carman, to declare Walter Wellman as an elected member of the Belmont Retirement Board for a term beginning on December 28, 2020 ending on December 27, 2023.

Roll Call:

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

The Motion passed.

The Chair congratulated Mr. Wellman on his unopposed re-election, and thanked him for his recognized contributions to the Board over the past decades.

**Motion** by Mr. Vona, seconded by Mr. Carman, to go into executive session under purpose 7 of the Open Meeting Law: "To comply with, or act under the authority of, any general... law", that law being Exemption (c) of the Public Records Law (G.L. c. 4, s. 7(26)(c) ).

Roll Call:

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

The Motion passed.

Elizabeth Dionne exited the meeting at 11:55 am

**Motion** by Mr. Vona, seconded by Mr. Carman, to Adjourn Meeting.

Roll Call:

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

The Motion passed.

Meeting adjourns at 12:09 PM.

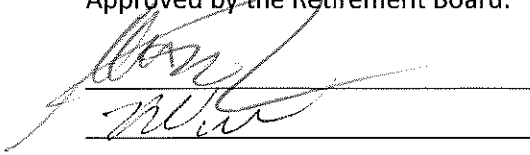
Documents Distributed:

November 23, 2020 Agenda  
2020 Budget through October  
NEPC November 2020 Presentation  
PIMCO November 2020 Presentation  
AEW November 2020 Presentation  
Powers & Sullivan Representation Letter and Draft Copy of Basic Financial Statement 12/31/19  
PERAC Memos #32 and #33/2020

Respectfully Submitted,

Robert Soohoo  
Executive Director

Approved by the Retirement Board:

A handwritten signature in black ink, appearing to be "R. Soohoo", is written over a horizontal line. Below this line are two more empty horizontal lines.

December 21, 2020