

Belmont Contributory Retirement Board

Minutes of Meeting of October 26, 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); Chitra Subramanian (remote); Floyd Carman (remote); Ross Vona.

Staff Present: Robert Soohoo; Ryan Horan.

Guests (Remote): Bradley Karelitz, HarbourVest; Chris Row, HarbourVest; Kathy Riley, Segal; Scott Driscoll, NEPC; James Quirk, Board Attorney; Chris Doyle, Town Warrant Committee; Adrian Schultes, Carillon Reams

Identified Public Participants: None Identified.

Mr. Gibson called the meeting to order at 9:20 am.

Annual Investment Manager Review. Bradley Karelitz and Chris Row presented a detailed update of the HarbourVest Dover Street Funds VII, VIII and X. Activity in the secondary market has been growing over the past few years. This year there has been a drop in prices on the secondary market due to pandemic, which is very advantageous and presents further opportunities for investors. The plan is set up to purchase better assets while at lower values, which drives its returns. There is very low risk in the portfolio and which makes it quite resilient to the variance caused by COVID-19.

Bradley Karelitz and Chris Row exited meeting at 9:42 AM.

Annual Investment Manager Review. Adrian Schultes presented a detailed update of the Carillon Reams Core Plus Bond Fund. In 2019, they initiated steps to mitigate risk and to prepare for declines in the market. This positioned the Fund very well for the high volatility of the market in 2020. The fund obtained value during the dislocations earlier in 2020 when the market was in turmoil. Returns should not be expected to stay this high going forward, but this again demonstrates the importance of the fund to Belmont's plan. They have been using this year to build up cash and treasuries, as it is likely that there will continue to be volatility in the markets, even after a possible vaccine, which benefits Carillon's strategy going forward.

Adam Schultes exited meeting at 9:55 AM.

Kathy Riley of Segal joined meeting at 10:02 AM.

Presentation by NEPC – Scott Driscoll reviewed investment performance through September, explaining how market volatility has affected Belmont's plan. The top tech companies have driven value during 2020 and the pandemic environment. The November election could add to volatility. Real estate investments may change in the near future. NEPC recommended that the Board commit \$5 million to PRIT's new Vintage Year 2021 private equity fund, which will bring the System closer to the policy allocation of 7%.

**Motion** by Mr. Vona, seconded by Mr. Carman to commit \$5 million to PRIT's Private Equity Vintage Year 2021.

Roll Call:

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

The motion passed

Presentation by Segal. Kathy Riley reviewed the GASB 67/68 reports and the final 2020 valuation results with the Board, noting, among others, that that funding levels have been slightly increasing. Ms. Riley also addressed questions which had been asked by the Warrant Committee following last month's meeting. She will provide written responses before the next meeting. Tom noted that PERAC will not approve a funding schedule that extends to 2040. Nevertheless, Mrs. Riley looked at extending the funding schedule to 2035 and 2040. If extended to 2035 the appropriations would increase 1% per year. Mrs. Riley addressed the administrative budget's impact, noting it does not impact the unfunded liability, even if reduced by half. New hires do not add to the unfunded liability but add to the normal cost. The full valuation will be provided to PERAC.

**Motion** by Mr. Vona, seconded by Mr. Carman, to accept Segal's GASB 67 & 68 as of December 31, 2019 Report.

Roll Call:

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

The motion passed

**Motion** by Mr. Vona, seconded by Mr. Carman, to Accept Segal's Actuarial Valuation as of January 1, 2020 Report.

Roll Call:

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

The motion passed

Kathy Riley exited meeting at 10:50 AM

Mr. Driscoll exited meeting at 10:50 am.

Future Meeting Dates: October 26, 2020; November 23, 2020; December 21, 2020; January 25, 2021, February 22, 2021.

**Motion** by Mr. Carman, seconded by Mr. Wellman, to Review and Accept the Budget through September 2020.

Roll Call:

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

The motion passed

Review and Acceptance of Minutes.

**Motion** by Mr. Vona, seconded by Mrs. Subramanian, to approve the September 21, 2020 Board Meeting Minutes.

Roll Call:

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

The motion passed.

Report from the Board Attorney James Quirk. Mr. Quirk reviewed the PERAC opinion on the inquiry whether Drug Testing and Accreditation payments are pensionable. The member provided proof that they were rendering services for this stipend and it should be pensionable. The Board will review this policy change and will determine steps going forward for handling this administratively. Mr. Quirk will provide information at the November's meeting, with updates for Mr. Maguranis' appeal with DALA.

**Motion** by Mr. Vona, seconded by Mr. Carman, to acknowledge receipt of PERAC's Memo with Drug Testing and Accreditation Earnings.

Roll Call:

Mr. Wellman	Yes
Mr. Vona	Yes

Mr. Carman Yes  
 Ms. Subramanian Yes  
 Mr. Gibson Yes

The motion passed.

Chris Doyle exited meeting at 11:01 AM.

Report of the Executive Director: Mr. Soohoo has an updated Board Budget comparison to present to the Board Members. It will be distributed and reviewed at the next meeting.

Review and Approval of Expense and Payroll Warrants.

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

Roll Call:

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

The motion passed.

Correspondence Received: Kathy Riley answered the questions which were provided by the warrant committee during the SEGAL presentation. Board discussed the questions. Discussed the possibility of the Board returning to Town premises again, after discussion with the Town. The Board would like some more information from the town on their plans of relocation and we can then review. Tom also discussed an issue with security of our emails and separation from the town. He also related this to the fact that some towns are separating technological services from the Retirement Board.

PERAC Memos.

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>
Cathy Grant	12/31/2020	Secretary	61	27 Years, 11 Months	SA, Option A	School	1

**Motion** by Mr. Vona, seconded by Mr. Carman to accept the retirement applications.

Roll Call:

Mr. Wellman Yes

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

The motion passed.

The Board acknowledged the passing of George Ralph.

Chitra announced her term as Town Accountant is ending on October 31, 2020 and her position as Ex-Officio on the Retirement Board will be ending as well. We will review the documents and accounts we have that she may have her name on to ensure she is removed. Tom and the Board members thanked her for her years of service to the Board and the system's members, and wished her luck and good health in the future.

Floyd Carman Exited the meeting at 12:00 PM.

Chairman's Report: All covered prior to the report.

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

Roll Call:

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

The Motion passed.

Meeting adjourns at 12:04 PM.

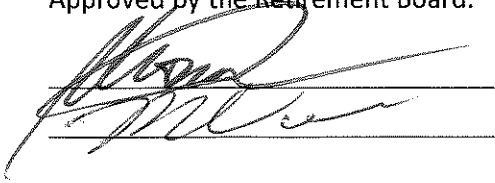
Documents Distributed:

October 26, 2020 Agenda  
2020 Budget through September  
NEPC October 2020 Presentation  
Carillon Reams October 2020 Presentation  
HarbourVest October 2020 Presentation  
Segal's Actuarial Valuations as of January 1, 2020  
Segal's GASB 67 & 68 Report as December 31, 2019  
PERAC Memos # 31-2020  
Investment Return Assumption Comparison Charts

Respectfully Submitted,

Robert Soohoo  
Executive Director

Approved by the Retirement Board:

A handwritten signature in black ink, appearing to be "J. Brown", is written over a set of three horizontal lines. The signature is cursive and somewhat stylized.

November 23, 2020