

Pursuant to a notice duly filed with the Town Clerk, a meeting of the Concord Retirement Board was held on Tuesday, September 27, 2016 at 8:30 a.m. at the Town House.

Present: **Peter J. Fulton, Chairman Elected**
Mary M. Barrett, Ex Officio
Anthony T. Logalbo, Appointed
Brian J. Whitney, Elected
Arnold D. Roth, 5th Member, Appointed

Also Present: **Linda A. Boucher, Retirement Administrator**
Wendy Rovelli, Finance Committee Observer
Kerry Lafleur, Town of Concord Finance Director

Chairman Peter Fulton opened the meeting at 8:58 a.m.

Chairman began the meeting by welcoming Finance Director, Kerry Lafleur to the Town of Concord and to the retirement board meeting.

The Board unanimously approved the August 24, 2016 meeting minutes.

The Board unanimously approved the September 30, 2016 retiree payroll as follows:

Pension: \$503,973.63
 Annuity \$112,992.48
 Total Payroll: **\$616,966.11**

The Board unanimously approved the following expenses:

Peter J. Fulton	Reimbursement – Retirement Seminar refreshments/Holy Cross Mileage		
	3 – boxes of coffee @ 14.99 each	\$ 44.97	
	Assorted snacks	\$127.08	
	6 bags of ice @ 1.99 each	\$ 11.94	
	Mileage:78 miles @ .505 =	<u>\$ 39.39</u>	
	Total:	\$223.38	\$ 223.98
Town of Concord	Reimb. Temp staff w/e 08/12 – 09/09/2016;		\$3,986.10
	Aug. tel. chg.; Bd’s share of ADP Invoice # 478598883		\$1,424.08
		\$	
MACRS	Registration fee fall conference: Brian Whitney, Peter Fulton, Linda Boucher		\$ 900.00
Bank of America	Analysis Invoice #16080089262		\$ 425.71
Town of Concord	Quarterly Reimbursement for Staff Salaries, Benefits and Town Services:		
	Staff salaries:	\$20,250.65	
	Staff benefits:	\$ 1,412.16	
	Medicare Tax:	<u>\$ 248.92</u>	
	Subtotal:	\$21,911.73	
	Town Services:		
	Treasury:	\$1,929.50	
	Personnel	\$ 546.75	
	Town House Custodian:	\$ 1,474.00	
	Audit:	\$ 2,808.00	
	Postage:	<u>\$ 700.00</u>	
	Subtotal:	\$7,458.25	
	Invoice total:	\$29,369.98	\$29,369.98
ADP, Inc.	Invoice #479591809		<u>\$ 149.15</u>

Total: **\$36,479.00**

The Board was provided with the following list of investment transactions:

Trade Date	Trade Face	Ticker/Coupon /Maturity	Sec Desc	Group/Type	CUSIP(Aladdin ID)	Trade Price	Yield	Moody Rating	S&P Rating
8/29/2016	194,000.00	T 0.750 08/31/2018	TREASURY NOTE	BND/GOVT	9128282C3	99-28	0.81	Govt	AA+
8/29/2016	665,000.00	T 1.125 08/31/2021	TREASURY NOTE	BND/GOVT	9128282F6	99.722227	1.18	Govt	AA+
8/29/2016	174,000.00	T 1.375 08/31/2023	TREASURY NOTE	BND/GOVT	9128282D1	99.5183	1.45	Govt	AA+
8/29/2016	- 194,000.00	T 0.750 07/31/2018	TREASURY NOTE	BND/GOVT	912828S68	99-28 1/8	0.81	Govt	AA+
8/29/2016	- 665,000.00	T 1.125 07/31/2021	TREASURY NOTE	BND/GOVT	912828S76	99-21+	1.19	Govt	AA+
8/29/2016	- 174,000.00	T 1.250 07/31/2023	TREASURY NOTE	BND/GOVT	912828S92	98-24	1.44	Govt	AA+
8/30/2016	-50,000.00	Y 8.000 11/30/2039	TRANSATLANTIC HOLDINGS INC	BND/CORP	893521AB0	139.678	5.07	Baa1	BBB+
8/30/2016	39,000.00	T 2.500 05/15/2046	TREASURY BOND	BND/GOVT	912810RS9	106-00	2.22	Govt	AA+
8/30/2016	15,000.00	T 1.500 08/15/2026	TREASURY NOTE	BND/GOVT	9128282A7	99-13+	1.56	Govt	AA+
8/30/2016	-45,000.00	WFC 5.900 12/31/2049	WELLS FARGO & COMPANY	BND/CORP	949746RG8	106.75	4.85	Baa2	BBB
9/6/2016	69,000.00	KEY 5.000 12/31/2049	KEYCORP	BND/CORP	493267AK4	100	5.02	Baa3	BB+
9/6/2016	-69,000.00	T 1.500 08/15/2026	TREASURY NOTE	BND/GOVT	9128282A7	99-20 1/8	1.54	Govt	AA+
9/7/2016	26,000.00	PAA 4.900 02/15/2045	PLAINS ALL AMERICAN PIPELINE LP	BND/CORP	72650RBH4	92.147	5.45	Baa3	BBB
9/7/2016	-15,000.00	T 2.500 05/15/2046	TREASURY BOND	BND/GOVT	912810RS9	105-29+	2.23	Govt	AA+
9/7/2016	18,000.00	T 1.500 08/15/2026	TREASURY NOTE	BND/GOVT	9128282A7	99-19 3/4	1.54	Govt	AA+
9/7/2016	-85,000.00	WFC 5.900 12/31/2049	WELLS FARGO & COMPANY	BND/CORP	949746RG8	106.625	4.86	Baa2	BBB
9/9/2016	100,000.00	MBART_16-1-A3 1.350 02/15/2021	MBART_16-1	ABS/ABS	58769BAD6	99.98781	1.27	NR	AAA
9/9/2016	- 105,000.00	T 0.750 08/31/2018	TREASURY NOTE	BND/GOVT	9128282C3	99-29 1/4	0.79	Govt	AA+
9/9/2016	7,000.00	T 1.500 08/15/2026	TREASURY NOTE	BND/GOVT	9128282A7	98-16	1.66	Govt	AA+
9/9/2016	-40,000.00	WFC 5.900 12/31/2049	WELLS FARGO & COMPANY	BND/CORP	949746RG8	106.125	4.94	Baa2	BBB
9/13/2016	14,000.00	CNH_16-C-A3 1.440 12/15/2021	CNH_16-C	ABS/ABS	12635YAD5	99.97987	1.45	Aaa	AAA
9/13/2016	-85,000.00	T 0.750 02/15/2019	TREASURY NOTE	BND/GOVT	912828P53	99-22 1/8	0.88	Govt	AA+
9/13/2016	34,000.00	GMALT_16-3-A3 1.830 12/20/2019	GMALT_16-3	ABS/ABS	36251MAD3	99.99874	1.62	Aaa	NR
9/13/2016	-34,000.00	T 0.750 08/31/2018	TREASURY NOTE	BND/GOVT	9128282C3	99-28 3/4	0.80	Govt	AA+
9/13/2016	-20,000.00	T 1.125 08/31/2021	TREASURY NOTE	BND/GOVT	9128282F6	99-13 5/8	1.24	Govt	AA+
9/13/2016	65,000.00	NALT_16-B-A2A 1.450 12/17/2018	NALT_16-B	ABS/ABS	65477XAB0	99.99101	1.27	Aaa	NR
9/14/2016	85,000.00	CE 5.875 06/15/2021	CELANESE US HOLDINGS LLC	BND/CORP	15089QAC8	113.8	2.75	Baa3	BBB-
9/14/2016	-85,000.00	T 1.125 08/31/2021	TREASURY NOTE	BND/GOVT	9128282F6	99-20 3/8	1.20	Govt	AA+
9/15/2016	40,000.00	PNW 2.550 09/15/2026	ARIZONA PUBLIC SERVICE COMPANY	BND/CORP	040555CV4	99.537	2.60	A2	A-
9/15/2016	-40,000.00	T 1.500 08/15/2026	TREASURY NOTE	BND/GOVT	9128282A7	98-04 5/8	1.70	Govt	AA+
9/15/2016	20,000.00	DLPH 4.400	DELPHI	BND/CORP	24713GAD4	99.454	4.43	Baa3	BBB

		10/01/2046	AUTOMOTIVE PLC							
9/15/2016	-23,000.00	T 2.500 05/15/2046	TREASURY BOND	BND/GOVT	912810RS9	100-14+	2.48	Govt	AA+	
9/16/2016	-	T 8.000 11/15/2021	TREASURY BOND	BND/GOVT	912810EL8	133-26 3/4	1.21	Govt	AA+	
9/16/2016	200,000.00 279,000.00	T 2.500 05/15/2046	TREASURY BOND	BND/GOVT	912810RS9	101-13 1/4	2.43	Govt	AA+	
9/16/2016	-	T 1.125 08/31/2021	TREASURY NOTE	BND/GOVT	9128282F6	99-23 1/4	1.18	Govt	AA+	
9/16/2016	560,000.00 -	T 1.375 05/31/2021	TREASURY NOTE	BND/GOVT	912828R77	100-30 1/8	1.17	Govt	AA+	
9/19/2016	405,000.00 110,000.00	SHPLN 2.400 09/23/2021	SHIRE ACQUISITIONS INVESTMENTS	BND/CORP	82481LAB5	99.892	2.42	Baa3	BBB-	

The Board approved the following new members:

Name	Unit	Department	Position	Hire Date	Group
Jeannette Sheahan	School	CCRSD	Sr. Admn. Assist.	08/22/2016	1
Jill Asser	School	CCRSD	Dir. Adult/Com. Ed	09/01/2016	1
Amanda Refrigeri	School	CPS	SPED Assist.	08/31/2016	1
Kelly Mikkonen	Town	Finance	Sr. Account Clerk	08/30/2016	1
Stephanie Burns	School	CPS	Tutor	08/31/2016	1
Ami Barroso	School	CPS	Math Tutor	08/31/2016	1
Kerry LaFluer	Town	Finance	Finance Director	09/12/2016	1
Benjamin LaCure	Town	Police	Dispatcher	09/06/2016	1
Alyssa Silva	School	CPS	METCO Tutor/ Bus Monitor	08/31/2016	1
Susan Wisniewski	School	CPS/CCRSD	Prog. Support Assist.	08/22/2016	1
Jason Case	School	CPS	Bld. Svc. Worker	08/31/2016	1
Christie Connor	School	CPS	SPED Assistant	08/31/2016	1
Tor Ben Somlo	School	CPS/CCRSD	Data System Mgr.	09/06/2016	1
Kylie Rellstab	School	CPS	Therapeutic Tutor	08/31/2016	1
John DesRosiers	School	CPS	Bld. Svc. Worker	09/06/2016	1
Kristen Li	School	CPS	SPED Assistant	09/07/2016	1
Elizabeth Jacobollis	School	CPS	Tutor	08/31/2016	1
Leslie Brew	School	CPS	Tutor	08/31/2016	1
Steven Wilchinski	School	CPS/CCRSD	Bus Driver	09/12/2016	1

The Board unanimously approved the following new retirements:

Name	Unit	Department	Position	Retirement Date	Service
Kenneth Kopelman	School	CPS/CCRSD	Campus Monitor	09/01/2016	11.00
Courtland Booth	School	CCRSD	Dir. Adult Ed.	09/02/2016	40.5833

The Board unanimously approved the following refund of member deductions:

Name	Unit	Department	Position	Amount	Service
Mary-Kathryn Clough	Town	Police	Dispatcher	\$753.58	0.1667
To IRS:				\$188.39	

The Board unanimously approved the following transfer to another system:

Name	Unit	Department	Position	Amount	Service
Nathalie Harty	Town	Library	Head of Reference	\$33,772.37	6.5833

Deaths:

NONE

Asset allocation and market value report:

Tony Logalbo reviewed the asset allocation and market value at August 31, 2016 with the Board. He stated that on a month-by-month basis, at August 31, 2016, the combined assets of the Concord Retirement System increased by \$842,000. (Tony commented that the combined assets include retirement system assets and the town's Pension Reserve Fund.) He further stated that the increase in asset value does not simply represent yield because employer contributions were received in July. By isolating the net change of the employer assessment payment, the increase was \$176,000 or +0.12%. The Pension Reserve Investment Trust (PRIT) Fund on a monthly basis returned a positive 0.35% from the prior month's end.

Although the cash position is elevated because of the employer contributions, most of the cash will be used to cover the monthly retiree payroll expense.

Employer assessments are paid in a lump-sum on July 1. The actuary takes that increase into account when preparing the actuarial valuation.

Looking at retirement system assets only, the breakdown shows a small stock component to the fixed income account.

Performance, solely on retirement system assets, is positive 8.91% for the one-year period ended August 31, 2016. Even if returns are flat for the remainder of 2016, we stand a very good chance of achieving our actuarial assumed rate of return.

Board members reviewed the current asset allocation compared to its target allocation voted on at the March 2012 retirement board meeting. The current allocation is 69.25% Real Estate, Equity and Other with a target allocation of 65.00%. After review and discussion, the board decided to move \$3.0 million from the Russell International Equity Fund to the Columbia Fixed Income account.

MOTION:

Motion was made by Tony Logalbo to move \$3.0 million from Russell International Equity Fund to Columbia Fixed Income account and to change the internal target allocation with Russell from a 70/30 Russell Domestic Equity/ Russell International Equity to an 85/15 allocation in the interest of rebalancing the board's portfolio to the target allocation policy adopted at the March 2012 retirement board meeting. Brian Whitney seconded the motion. **Voted unanimously.**

MACRS Conference:

The Massachusetts Association of Contributory Retirement System's fall conference is scheduled for October 2 – 5, 2016 at the Sheraton Springfield. The cost of registration for the conference is \$300.00 per person. Peter Fulton, Linda Boucher and Brian Whitney are interested in attending the conference. An estimated budget for attendance at the conference is \$2,150.00.

MOTION:

Arnold Roth motioned to approve attendance at the MACRS Conference for Peter Fulton, Linda Boucher and Brian Whitney with an expense budget of \$2,150.00. Anthony Logalbo seconded the motion. **Voted unanimously.**

OCIO:

The Board has been considering procurement for an Outsourced Chief Investment Officer. A sample investment policy and Request for Proposals (RFP) was shared with the Board for their review. Tony Logalbo will finalized the RFP and Investment Policy and will distribute the documents at the October 27, 2016 Board meeting for adoption and its issuance. Any questions or concerns should be forwarded to Tony prior to the October meeting.

ELECTION:

Peter Fulton was the only person who returned nomination papers to the retirement board office prior to the September 1, 2016 deadline. Pursuant to M.G.L. c. 32, 840 CMR 7:00, when only one qualified candidate files nomination papers, said individual shall be declared the winner and an election need not be held.

MOTION:

Pursuant to 840 CMR 7:00, the Board determined that Peter Fulton was the only qualified candidate to file nomination papers, therefore, Peter Fulton has been declared the winner and no election will be held for a three-year term commencing October 31, 2016 and expiring October 31, 2019. Brian Whitney seconded the motion. **Voted unanimously.**

PERAC:

The Board was provided with the following PERAC Memos: PERAC Memo #22/2016 – Forfeiture of Retirement Allowance for Dereliction of Duty by Members; and PERAC Memo #23/2016 – Tobacco Company List.

There being no further business before the Board, it was upon motion made and duly seconded that the meeting adjourned at 11:05 a.m.

Peter J. Fulton, Chairman – Elected

Mary M. Barrett, Ex Officio

Anthony T. Logalbo, Appointed

Brian J. Whitney, Elected

Arnold D. Roth, 5th Member - Appointed