

Pursuant to a notice duly filed with the Town Clerk, a meeting of the Concord Retirement Board was held on Tuesday, February 25, 2020 at 55 Church Street, West Concord, MA at 8:30 a.m.

Present: **Peter J. Fulton, Chair, Elected**
Mary M. Barrett, Ex Officio
Kerry A. Lafleur, Appointed
Brian J. Whitney, Elected
Arnold D. Roth, 5th Member, Appointed

Also Present: **Linda A. Boucher, Retirement Administrator**
John Parsons, Executive Director, PERAC
Anthony Tranghese, Investment Consultant, FIA

Chair Peter Fulton opened the meeting at 8:35 a.m.

The Board unanimously approved the December 19, 2019 meeting minutes.

The Board tabled approval of the January 23, 2020 meeting minutes.

The Board unanimously approved the February 28, 2020 retiree payroll as follows:

Pension: \$648,736.66
Annuity: \$163,466.41
Total Payroll: \$812,203.07

The Board unanimously approved the following expenses:

Natalie Lefebvre	Reimb. Postage	\$	23.60
Linda Boucher	Reimb. Postage	\$	13.40
Town of Concord	Quarterly Reimbursement for Staff Salaries:		
	Benefits and Town Services:		
	Staff salaries:	\$42,021.78	
	Staff benefits:	\$ 1,795.83	
	Health Ins. Stipend	\$ 752.50	
	Medicare Tax:	<u>\$ 616.35</u>	
	Subtotal:	\$45,186.46	
	Town Services:		
	Treasury:	\$ 1,408.60	
		\$ 390.65	
	Personnel	\$ 565.11	
		\$ 96.64	
	Facilities:	\$ 4,960.50	
		\$ 0.00	
	Audit:	\$ 3,000.00	
	Postage:	<u>\$ 175.00</u>	
	Subtotal:	\$ 10,596.50	
	Subtotal:	\$ 55,782.96	\$55,782.96
Staples	Invoice #1627520523	\$	136.45
Acadian Management Fee	Invoice #I77937		\$13,824.00
Wellington Management	Invoice 20191231-105317-A		
	Outstanding balance:	\$43,693.92	
	10/01/19 – 12/31/2019:	<u>\$21,769.96</u>	
	Total:	\$65,463.88	\$65,463.88

Comerica Bank	Invoice: 456132	\$ 1,556.28
Russell Investments	Invoice no.: 20191231-233-A	\$67,892.40
ADP, Inc.	Invoice no: 551153469	\$ 1,978.78
Subtotal:		<u>\$206,671.75</u>

The Board unanimously approved the following 3(8)(c) reimbursements:

Peabody Retirement Board	Richard Duggan	\$ 468.41
Winchester Retirement Board	Anthony Celli	\$ 4,328.30
Cambridge Retirement Board	Edward Liberacki, Paul Sugrue	\$ 1,928.81
Norfolk County Retirement System	Shawn Garvey; Robert Winterhalter	\$ 5,574.33
Pittsfield Retirement System	David Turocy	\$ 4,057.19
Medford Retirement System	Nancy Hartwell (Survivor of David Hartwell)	\$ 788.85
Lexington Retirement Board	Joseph Lahiff; Judith Richardson	\$ 485.06
Gardner Retirement System	Arthur Young	\$ 783.58
Worcester Retirement System	Jacquelyn Kelly; Bonnie Shields	\$ 4,597.25
Arlington Retirement Board	J. Rose; F. Ryan; E. Steinhilber; R. Yannetti	\$27,117.09
State Board of Retirement	Various Retirees	<u>\$240,423.62</u>
Subtotal:		<u>\$290,552.49</u>

Grand total: **\$497,224.24**

The Board unanimously approved the following new members:

Name	Unit	Department	Position	Hire Date	Group
Betsey Pendergast	School	CCRSD	SPED Tutor	01/08/2020	1
Erik Shaw	Town	CPW	Asst. Hwy/Grnds Sup.	01/17/2020	1
Karen Jones	Town	CMLP	Customer Svc. Rep.	01/21/2020	1
Dana Morgan	School	CCRSD	SPED Tutor	01/22/2020	1
Laurie Giovino	Town	TMO	Office Admin	12/03/2019	1
Justin Richardson	Town	CPW	Assist. Town Eng.	01/31/2020	1
Nathan Fisher	Town	Police	Police Officer	02/03/2020	4
Katerina Leunig	School	CPS	Tutor/Bus Monitor	01/30/2020	1
Jacqueline Moss	School	CPS	SPED Assistant	<u>08/28/2019</u>	1
Alison Dee	School	CPS	Math Tutor	02/03/2020	1
Nicolai Calabria	School	CCRSD	SPED Tutor	<u>01/23/2019</u>	1
Isabel O'Connor	School	CPS	Math Tutor	09/29/2019	1
Joseph Cormier	Town	CPW	Assoc. Engineer	02/18/2020	1

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The Board unanimously approved the following new retirements:

Name	Unit/Group	Department	Position	Retirement Date	Service
Scott Cullinane	Town/1	CPW	Parks/Tree Specialist	01/17/2020	20.7500
Susan Furtado	12(2)(d) beneficiary of:				
William A. Furtado	School/1	CPS	Blg. Maintenance	01/25/2020	19.0000
Fayth Chamberland	Town/1	Library	Staff Librarian	03/03/2020	33.3334

The Board unanimously approved the following refunds/rollovers:

<u>Name</u>	<u>Unit/Group</u>	<u>Department</u>	<u>Position</u>	<u>Amount</u>	<u>Service</u>
Sharon Clark	Town/1	Human Services	HSS/Outreach Coordinator.		1.0000
Death Refund to Beneficiary: Devin McMahon				\$4,047.07	
To IRS:				\$ 809.41	

Alexander Rivers	Town/1	CMLP	Customer Service	\$10,361.48	2.4167
To IRS:				\$ 2,590.37	
Melissa Savage	School/1	CPS	Tutor	\$19,497.51	6.1667
To IRS:				\$ 4,874.38	

The Board unanimously approved the following transfer to another system:

<u>Name</u>	<u>Unit/Group</u>	<u>Department</u>	<u>Position</u>	<u>Amount</u>	<u>Service</u>
Alvimar Rodrigues	Town/1	Library	Maint./Custodian	\$19,991.94	5.0833

Transferring to Middlesex County Retirement

The Board respectfully acknowledged the following deaths:

Gerald James – born November 13, 1937. Gerald became a member of the Concord Retirement System on October 5, 1981 as a Bus Driver with the Concord Public Schools. He worked as a Bus Driver for over 15 years before retiring on July 6, 1977. Gerald passed away on January 16, 2020 at the age of 82.

Sharon Clark – born June 26, 1956. Sharon became a member of the Concord Retirement System on 11/26/2018 as the Outreach Coordinator in the Health and Human Services department. At the time of her death, Sharon was a resident of West Concord. She had worked as the Outreach Coordinator for one year before passing away on January 9, 2020. She was 63 years old at the time of her death.

Robert Wheeler – born December 30, 1948. Bob became a member of the Concord Retirement System on September 3, 1985 as a Bus Driver for the Concord Public Schools. He worked as a Bus Driver for over 25 years before retiring on January 2, 2013. Robert passed away on December 17, 2019 after a brief illness. He was 71 years old at the time of his passing.

PERAC EXECUTIVE DIRECTOR:

John Parsons – Executive Director – Public Employee Retirement Administration Commission

Chair Peter Fulton introduced Mr. Parsons to the Board and then turned the floor over to Mr. Parsons.

Mr. Parsons thanked the Board for allowing him to meet with them. He noted that he replaced former PERAC Executive Director, Joseph Connarton. Mr. Parsons was appointed Executive Director at the November 14, 2018 Commission meeting.

He told that Board that during his interview, the interview asked him if visiting retirement boards was an important issue. He responded that it was a very important issue; therefore, anecdotally, this is part of his reason for meeting with us today.

Mr. Parsons told the Board that he sat on the State Board of Retirement through his work with the State Auditor's Office. He noted that one of his goals is to make sure that everyone in the public pension system in Massachusetts gets treated the same. PERAC does not manage retirement boards. The Board members manage their workplace and PERAC is the facilitator of the rules. He noted that it is remarkable that PERAC and Boards are on the same page as much as they are - given the complexities of Chapter 32.

Mr. Parsons also served at PERAC for several years as their General Counsel and wanted to note that interactions between retirement boards and PERAC happens every single day.

Mr. Parsons thanked the Board for the opportunity to meet with them and the Board thanked Mr. Parsons for his time.

WELLINGTON FIXED INCOME PERFORMANCE REVIEW:

Beth Catino and Anand Dharan from Wellington Management provided an update of performance as of January 31, 2020. Beth Catino is the Global Manager Investor Services and Anand Dharan is the Investment Director. Beth Catino thanked the Board for inviting them in and for being a Wellington client for over one year.

Beth also provided an overview of Wellington - noting there have been no changes to the company and that they have remained a private partnership. Joe Marven continues to lead the Broad Market Team.

Anand introduced himself to the Board and thanked them for the invite. He noted that the Core Bond approach to investing is an anchor in the portfolio. Wellington only buys high-quality bonds with US dollars. This provides capital preservation protection for downside markets. Bloomberg Barclays US Aggregate statistics justify using bonds as diversification within the portfolio. The reason this is true is that bonds are liquid - which helps with volatility of assets while still earning some income.

Wellington's Core Bond Portfolio is modestly overweight credit. As active credit risk moved downward, being overweight to credit was a lead contributor to overall returns. The rise in leverage that we are currently seeing is eroding free cash flow.

Peter Fulton asked Anand how the Coronavirus has changed our position. Anand stated that, although spreads have widened a bit and Treasury yields continue to fall with the 10-year Treasury around 1.38%, not much has changed as of today. Anand stated that there are questions, however, as to whether or not the US is trying to decouple from China. The Coronavirus could have an impact on world economies such as an interruption in supply chains, and investment and trade flows. We do not know what easing monetary policy would do to help this situation.

Some major central banks in the Euro area as well as Switzerland, Denmark, Sweden and Japan have allowed rates to fall slightly below zero. Negative rates diminish returns. This is not good for retirees who are looking for positive returns that will provided them with steady income through retirement.

Anand and Beth concluded their presentation and the Board thanked them for their time.

INVESTMENT CONSULTANT REPORT:

Tony Tranghese provided his investment review. He noted that as of February 24, 2020, the S & P 500 Index was up 3.0% but equities were down 2.5%.

Tony also spoke about Fiduciary Investment Advisors merger with Dimeo Schneider Association.

For the one-month period ended January 31, 2020, the market value of the system's assets is \$184,447,074. Fifty percent of the portfolio is in Russell Multi-Asset and the PRIT Core Fund. Also, for the one-month ended January 31, 2020, the plan is up 16.4% , which is well ahead of the target.

In January, we saw a slight pull back in the market with the portfolio losing 0.5% for the month.

Tony concluded his presentation and the Board thanked him for his time.

MOTION:

Arnold Roth motioned to accept the merger between Fiduciary Investment Advisors and Dimeo Schneider Association. Brian Whitney seconded the motion. **Voted unanimously.**

COST-OF-LIVING PRESENTATION:

Peter Fulton noted that the Board’s proposed increase to cost-of-living base for retirees has been accepted as a Warrant Article for the 2020 Annual Town Meeting. He will be notified of a date and time to present the proposal at a Public Hearing with the Finance Committee. Peter will keep the Board informed as we move through the process.

PERAC MEMOS:

The Board was provided with a copy of the following PERAC Memos: **PERAC Memo #11/2020 – Payment Required for Service Credited under G.L. c. 32, § 4(2)(b).**

There being no further business before the Board, it was upon motion made and duly seconded that the meeting adjourned at 11:35 a.m.

Peter J. Fulton, Chair, Elected

Mary M. Barrett, Ex Officio

Kerry A. Lafleur, Appointed

Brian J. Whitney, Elected

Arnold D. Roth, 5th Member, Appointed