

Pursuant to a notice duly filed with the Town Clerk, a meeting of the Concord Retirement Board was held at 8:30 a.m. on Tuesday, July 28, 2009 at the Town House, Concord, MA.

Present: Peter J. Fulton – Chairman
Arnold Roth
Anthony T. Logalbo
Brian J. Whitney

Also Present: Linda A. Boucher

Chairman Peter Fulton opened the meeting at 8:50 a.m.

The board unanimously approved the June 23, 2009 minutes.

The board unanimously approved the July 31, 2009 retiree payroll as follows:

Pension	\$337,361.42
Annuity	<u>58,563.45</u>
Total Payroll:	\$395,924.87

The board unanimously approved the following expenses:

ADP, Inc.	Invoices # 654040, 683906 and 696634	\$ 1,110.51
Rosemary Lent	Refund of life insurance and Fed. tax adj. (D. Lent)	\$ 20.03
Town of Concord	Reim. temp. office staff 5/22 – 6/26: \$2194.39 “ “ 6/29 – 6/30: 201.72 Monthly telephone charges June 2009: 38.44	\$ 2,434.55
McWalter-Volunteer	Renew policy #69372343 – Bond	\$ 100.00
Bank of America	Management Fee – acct #8549574 – Equity \$11,761.76 (56.5 basis points) Flat Fee: 125.00	\$11,886.76
Bank of America	Management Fee – acct #8553057 – Fixed \$6,476.98 (10.8 basis points)	
	Transactions (schedule K8) 430.00	\$ 6,906.98
Russell Investments	Management Fees: Invoice #1019136 Russell Equity I Fund: \$16,330.00 Russell International Fund: \$8,389.00 (89.6 basis points)	\$24,719.00
Brian J. Whitney	MACRS Conference – Mileage, lodging, meals	\$ 577.70
Stone Consulting, Inc.	Member statements (WIP); review of active data	\$ 2,725.00
Bank of America	Analysis invoice #09060111163	<u>\$ 590.32</u>
TOTAL EXPENSES:		\$51,070.85

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

Purc/ Sale	Description	%	Yield to Mat	Maturity Date	Price	Par	Total	Rating Moody's/ S&P
P 06/23/2009	Lincoln Natl Corp Ind Unsecd SR NT	8.750	8.34	07/01/2019	100.20600	5,000.00	5,010.30	Baa2/A-
P 06/23/2009	Lincoln Natl Corp Ind Unsecd SR NT	8.750	8.34	07/01/2019	100.0600	15,000.00	15,009.00	Baa2/A-
P 06/23/2009	Lincoln Natl Corp Ind Unsecd SR NT	8.750	8.34	07/01/2019	100.7100	15,000.00	15,106.50	Baa2/A-
P 06/22/2009	California State Gov't Bonds Taxable	7.550	8.15	04/01/2039	93.30100	140,000.00	130,621.40	A2/A
P 06/25/2009	US Treas Note	2.250	2.53	05/31/2014	98.01171	145,000.00	142,116.99	Govt./Govt.
P 06/25/2009	US Treas Note	2.250	2.53	05/31/2014	98.02343	1,535,000.00	1,504,659.77	Govt./Govt.
S 06/25/2009	GNMA Pool #583006	5.50		06/15/2034	102.6250	96,610.66	99,146.69	
S 06/25/2009	FHLMC Gold	5.50		07/01/2034	102.62500	118,568.82	121,681.25	
S 06/25/2009	FHLMC Pool #G08072	5.00		08/01/2035	101.06250	142,815.16	144,332.57	
P 06/25/2009	US Treas. Note	2.250	2.53	05/31/2014	97.87109	250,000.00	244,677.74	Govt/Govt
S 06/25/2009	FNMA Pool #888352	5.50		05/01/2037	102.7500	116,555.75	119,761.03	
S 06/25/2009	FNMA Pool #600808	6.50		08/01/2031	106.156250	1,152.31	1,223.25	
S 06/25/2009	FNMA Pool #831936	6.000		11/01/2036	104.21875	139,704.88	145,598.68	
S 06/25/2009	FNMA Pool #893452	6.000		09/01/2036	104.15625	135,972.70	141,624.07	
S 06/25/2009	FNMA Pool #794443	5.500		10/01/2034	102.71875	84,362.99	86,656.61	
S 06/25/2009	FNMA Pool #AA3773	4.500		04/01/2039	99.23437	249,206.07	247,298.09	
S 06/25/2009	FHLMC Gold #C80354	6.500		10/01/2025	105.2500	12,525.68	13,183.28	
S 06/25/2009	FNMA Pool #745418	5.500		04/01/2036	102.87500	435,460.83	447,980.33	
S 06/25/2009	FNMA Pool #985525	5.500		06/01/2038	103.000	171,567.25	176,714.27	
S 06/25/2009	FNMA Pool #985524	5.500		06/01/2038	103.000	142,842.47	147,127.74	
P 07/02/2009	Lincoln Natl Corp Ind Unsecd SR NT	5.750	8.34	07/01/2019	102.7620	25,000.00	25,690.50	Baa2/A-
P 07/13/2009	Oracle Corp. SR Unsecd NT	5.000	4.82	07/08/2019	101.3810	130,000.00	131,795.30	A2/A
S 07/13/2009	Oracle Corp. NT	4.950	2.91	04/15/2013	107.1850	130,000.00	139,340.50	A2/A
P 07/07/2009	Barclays Bank PLC SR NT United Kingdom	5.200	5.23	07/10/2014	99.8830	70,000.00	69,918.10	AA3/AA-
P 07/20/2009	Dow Chemical Co. NT	8.550	8.55	05/15/2019	102.5520	100,000.00	102,552.00	Baa3/BBB-

The board approved the following new retirements:

Name	Unit	Department	Position	Retirement Date	Service
Sarah Kelly	School	Peabody Cafeteria	Cook	07/08/2009	11.3333
Barbara Powell	Town	Library	Director	07/09/2009	31.2500
Cheryl McDonald	School	Guidance	Admin.	07/24/2009	24.7500

The board unanimously approved the following refunds/rollovers:

Name	Unit	Department	Position	Amount	Service
Jodie Peterson	School	SPED	Tutor	\$3,669.45	1.7500

IRS:				\$917.36	
Joseph Giordano	School	Maintenance	Bldg. Svc. Worker	\$ 881.43	0.2500
IRS:				\$ 220.36	

Eleanor Curtis	School	METCO	Bus Monitor	\$ 6,703.54	2.9167
IRS:				\$ 1,675.89	

Sarah T. Kelly	School	Peabody Cafeteria	Head Cook	\$2,756.94	11.3333
IRS:				\$ 689.24	

(Member is receiving a partial refund for deductions withheld in error after age 70)

The board was provided a trial balance at June 30, 2009 and the budget detail at July 31, 2009.

The board received copies of the PRIM Board Update memo, the PRIT performance summary and the PRIT statement for June 2009.

Tony Logalbo provided the board with a review of market values and asset allocation at June 30, 2009. Tony reported that June numbers were down slightly after three months of being up. A performance comparison of the state's Pension Reserve Investment Trust to the overall performance of the Concord portfolio indicated Concord's performance to be slightly better than the PRIT fund's performance for the same 12-month period ending June 30, 2009. Currently, Concord's portfolio is 35.7% invested with PRIT. Allocations of about \$700,000.00 will continue to be made monthly until the total allocation to "Equity and Other" reaches approximately 60%; most likely by the end of February 2010. It is also anticipated that July assessments from the employer units will be transferred in order to help achieve the 60/40 asset allocation. In relative terms, the PRIT Core funds have been increasing significantly. Columbia was down significantly in June and the Russell 1000 Value Fund trailed the rest of the market. The overall decline in the Concord portfolio is slightly less than the PRIT decline.

The following PERAC Memos were provided to the board: PERAC Memo 24/2009 – Chapter 21 of the Acts of 2009; PERAC Memo 25/2009 – Reinstatement to Service under G.L. c. 32 sec. 105; PERAC Memo 26/2009 – Cost of Living Increase for Dependents of Disability Retirees; PERAC Memo 27/2009 – Investment Manager List; PERAC Memo 28/2009 – Tobacco Company List; PERAC Memo 29/2009 – Reinstatement to Service.

The board was informed about the PERAC sponsored Emerging Issues Forum scheduled for September 9, 2009 at the College of the Holy Cross. Further details will be provided when they are available.

Richard P. DeMello a former employee of the Town of Concord requested to buyback service for the period of time between 1972 and 1973 when he worked on a part-time basis. After reviewing the payroll records relating to that period of time, Tony Logalbo motioned to deny liability because Mr. DeMello was not a member of the retirement system and was not erroneously excluded from membership. Brian Whitney seconded the motion. **Voted unanimously.**

During the recent PERAC audit of the retirement system, the auditor questioned the contribution rate for David Curran. Records in Mr. Curran's file indicated that he purchased creditable service for a period of time between December 1, 1978 and July 11, 1981. Members who entered the system after January 1, 1979 are subject to the additional 2% withholdings on salary in excess of \$30,000.00 per annum. It appears that Mr. Curran's start date was erroneously interpreted as being December 1, 1978, thereby excluding him from the additional 2% withholding. Although a member is entitled to

purchase creditable service for periods of time when they did not contribute to the retirement system, they are only entitled to the service credit and not the contribution rate that was in effect at that time. The board will notify Mr. Curran of the error and will provide him an opportunity to request a waiver from the board.

The board received a copy of the Notice of Advisor Change from Russell Investments.

Meeting adjourned at: 10:10 a.m.

Peter J. Fulton – Chairman (elected)

Brian J. Whitney – (elected)

Anthony T. Logalbo – (appointed)

Gail Eagan-Henry – Ex Officio

Arnold Roth – 5th Member (appointed)