

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, March 24, 2009 at the Town House, Concord, MA.

Present: **Peter J. Fulton – Chairman**
Anthony T. Logalbo
Brian J. Whitney
Gail Eagan-Henry
Arnold Roth

Also Present: **Linda A. Boucher**
Alan Erickson **Director**
 Senior Fixed Income Portfolio Manager
Kenneth D. Hedgebeth **Director**
 Senior Institutional Client Services Manager
Jonathan P. Carlson **Director**
 Senior Fixed Income Portfolio Manager

Teleconference Attendees:
Brian Condon
Michael J. Fulginiti **Director**
 Senior Products Specialist

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

The board unanimously approved the February 25, 2009 Minutes.

The board unanimously approved the March 2009 retiree payroll as follows:

Pension	\$	334,521.36
Annuity	\$	<u>58,909.19</u>
Total Payroll:	\$	393,430.55

The board unanimously approved the following expenses:

ADP, Inc.	Invoice # 485508 & Invoice #505426	\$ 961.04
Arlington Retirement System	3(8)(c) Reimbursement – J. Rose; E. Steinhilber	\$ 2843.03
Town of Concord	Reimb. N. Lefebvre; Feb. 2009 tele. chg. & tel. main.	\$ 2056.33
Maynard Retirement System	3(8)(c) reimb. – M. Greer; E. Lawton; C. Walsh	\$25,238.80
McWalter-Volunteer Ins. Agency	Renew policy # 70121612 – G. Eagan-Henry	\$ 100.00
MACRS	2009 Annual Meeting – P. Fulton; B. Whitney; L. Boucher	\$ 750.00
Bank of America	Analysis Invoice #09020116956	\$ 486.57
Town of Concord	Reimbursement – 1st Quarter 2009	
	Retirement Admin. Salary: \$12,970.94	
	 Benefits: 2,472.96	
	 Medicare Tax: 146.58	
	Town Services:	
	 Treasury: 1,182.50	
	 Personnel: 163.00	
	 Audit: 750.00	
	 Postage: 375.00	
	 Expense: 27.00	\$18,087.98
Town of Concord	Retirement Office Rent – Jan. Feb. March 2009	\$ 1,275.00
Town of Concord	Reimb. Part-time help; Aug. 2008; Dec. 2008	<u>\$ 2371.67</u>
TOTAL EXPENSES:		\$54,170.42

The board unanimously approved the following investment transactions:

Purc/ Sale	Description	%	Yield to Mat	Maturity Date	Price	Par	Total	Rating Moody's/ S&P
S 03/01/2009	Proceeds Maturity Illinois Tool Works Inc.	5.750		03/01/2009			200,000.00	
S 03/02/2009	Proceeds Maturity Korea Dev Bk	3.875		03/02/2009			100,000.00	
S 03/05/2009	USAA Auto Owner TR 2008 3	4.280		10/15/2012	101.22265	35,000.00	35,427.93	
P 03/05/2009	US Treas. Note	0.875		02/28/2011	99.96875	30,000.00	29,990.63	Gov't/Gov't
S 03/15/2009	Proceeds Maturity Emerson Elec. Co.	5.850		03/15/2009			100,000.00	

The board unanimously approved the following new members:

Name	Unit	Department	Position	Hire Date	Group
Julie Vaughan	Town	Plan. & Land Mgt.	Senior Planner	02/20/2009	1
Nicholas DiPasquale	Town	Info. Services	Info. Systems Assist.	03/02/2009	1

The board unanimously approved the following refunds:

Name	Unit	Department	Position	Amount	Service
Lee Welch	School	SPED	Aide	\$624.77	0.3333

IRS:

\$156.19

Mr. Mike Fulginiti, Director, Senior Products Specialist, participated in the meeting via teleconference. He provided a brief overview of Columbia's recent changes to its quantitative strategies group, specifically the implementation of a Q.V.C. stock-picking strategy (quality, valuation and catalyst) that will provide managers with an efficient approach to stock selection that will minimize market-level risk while creating opportunities for above-market returns.

Additionally, Mike spoke to the board regarding the allocation of value stocks and growth stocks. Mike stated that although value stocks have historically performed better than growth the underperformance of value stocks in the current market is primarily due to financial companies dragging the value index down. Currently, the market is showing a little bit of a comeback with relative performance and absolute performance while financials are bouncing back much quicker. Also, consumer confidence is starting to show a slight improvement.

Jon Carlson spoke to the board about the fixed income component of the portfolio. On a relative basis, corporate bonds were up in the fourth quarter yet the same corporate bonds underperformed U.S. Treasuries. For the most part, all credit sectors underperformed Treasuries in the 4th quarter. Underperformance over the past few months is a result of risk aversion, fear in the market place and flight-to-quality. The objective of the fixed income team is to select securities that match Barclay's Government Index. This index is currently allocated 40% Treasuries, 20% Agency and 40% corporate with a duration of 5 – 5 ¼ years.

Jon also spoke briefly about the "Troubled Asset Relief Program" (TARP). Part of the current market problem is that these "toxic assets" are blocking the system's ability to extend the credit needed to fuel the economy. Another part of the problem is that no one really knows what the value of the assets are so there is no trading and the "toxic assets" become stuck on bank balance sheets. Under this plan, the federal government hopes to correct the financial system's weakness by removing the illiquid mortgage assets out of the financial system and on to the books of the federal government.

Tony presented the board with the asset allocation and market values at January 31 and February 28, 2009. In January, the market value of combined assets decreased 27.8% bringing the market value of the combined assets to a level last seen in October 2004 and in February, the market value of combined assets decreased again by 27.8% bringing the market value of the combined assets to a level last seen in February 2004. The fund's performance reached an all-time asset peak in October 2007. Additionally, in January, the 33% of Concord's portfolio invested in PRIT saw a decrease of 29.2% in the market value of investments, and in February, the 34% of the portfolio invested in PRIT saw a decrease of 32.9% in the market value of investments. For the one-year period ended February 28, 2009, the Concord Retirement Fund

- Deleted: .
- Deleted: the 33-34% of the
- Deleted: P
- Deleted: in January
- Deleted: in February.

performance declined 27.77% compared to the state's Pension Reserve Investment Trust Fund performance of minus 33.31%.

After first notifying all the member units of the board's intention to grant a 3% COLA on the first \$12,000 of retiree salary, a formal vote was taken. Brian Whitney motioned to grant a 3% cost-of-living adjustment on the first \$12,000 of retiree payroll effective July 1, 2009. Arnold Roth seconded the motion. **Voted unanimously.**

The board was presented with PERAC Memo 15/2009 – proposed regulation on Member's Physician Statement. PERAC proposed an amendment to 840 C.M.R.10.06 which would require applicants for disability retirement to file two Physician's Statements instead of one as now required. After hearing comments regarding the proposal, the Commission decided not to go forward with the regulatory change.

Deleted: '

The board was presented with a service buy-back request for Devereux (Welles) Clark. Ms. Clark was a part-time employee in the Library. After reviewing Ms. Clark's employment, the board denied her request. Brian Whitney motioned to deny the buy-back request of Devereux Clark and to not accept liability for the period of time in which Ms. Clark was seeking to purchase service credit because Ms. Clark was not a member during that period of time and she was not erroneously excluded from membership. Gail Eagan-Henry seconded the motion. **Voted unanimously.**

The board reviewed the request of Andrew Giles to purchase military service credit. The board deliberated as to whether or not Mr. Giles would still be eligible to purchase the service credit since the period of time in which he should have responded had already passed. Absent irrefutably evidence that Mr. Giles actually received the Notice of Potential Benefits Pursuant to G.L. c 32, § 4(I)(h) the board agreed that he should be granted the opportunity to notify them of his intent at this time. As a precautionary measure, the board instructed their administrator to review the list of Veterans and notify via certified mail any Veteran who had not previously responded that they must notify the board within 180 days if they intend to purchase military service credit. Motion was made by Brian Whitney to accept the buyback request even though the 180-day time frame had expired based on the evidence that there was no clear indication whether or not Mr. Giles had actually received the Notification of Potential Benefits Pursuant to G.L. c 32 § 4(I)(h). Motion seconded by Gail Eagan-Henry. **Voted unanimously.**

Deleted: Because Mr. Giles has worked for the Town of Concord for more than 20 years, t

Deleted: . Absent

Deleted: evidence

Deleted: n

Deleted: p

Deleted: b

Deleted: ,

Deleted: '

Deleted: only have 180 da

Deleted: ys to notify the board

The meeting adjourned at 10:45 a.m.

Peter J. Fulton – Elected, Chairman

Brian J. Whitney – Elected

Anthony T. Logalbo – Appointed

Gail Eagan-Henry – Ex Officio

Arnold Roth – Appointed 5th Member