

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 Wednesday, May 27, 2009 at the Town House, Concord, MA.

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

Also Present: **Linda A. Boucher**
 Lawrence B. Stone

Chairman, Peter Fulton, opened the meeting at 8:40 a.m.

The board unanimously approved the April 28, 2009 minutes.

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

Pension \$ 330,279.47
Annuity \$ 58,177.71
Total Payroll: \$ 388,457.18

The board unanimously approved the following expenses:

ADP, Inc.	Invoice #570123 & 599607	\$ 965.43
Russell Investments	Management Fees:	
	Russell Equity I Fund - \$14,576.00 (85 basis points)	
	Russell International Fund - \$7,090.00 (10 basis points)	\$21,666.00
Town of Concord	Board's portion of 2008 mgt. fee expense – 30 Monument Sq.	\$ 381.76
Maynard Retirement Board	3(8)(c) reimbursement – Bonnie Shields	\$ 891.55
Town of Concord		
	Monthly telephone charges	\$ 28.78
	Reimbursement – Temp. Staff N. Lefebvre	\$2,616.15 \$ 2,644.93
Bank of America	Analysis Fee – Invoice #09040112483	<u>\$ 600.41</u>
TOTAL EXPENSES:		\$27,150.08

The board was notified of the following investment transactions:

Purc/ Sale	Description	%	Yield to Mat	Maturity Date	Price	Par	Total	Rating Moody's/ S&P
S 04/28/2009	BB & T Corp Sub Notes	5.200		12/23/2015	90.6500	100,000.00	90,650.00	
S 04/29/2009	SLM Corp	5.000	16.69	10/01/2013	64.5000	100,000.00	64,500.00	Baa2/BBB-
S 05/05/2009	US Treas Note	2.750		02/15/2019	96.5660	50,000.00	48,283.00	Govt. / Govt.
S 05/08/2009	US Treas Note	2.750	7.040	02/15/2019	95.58553	100,000.00	95,585.54	Govt. / Govt.
P 05/08/2009	Morgan Stanley SR Unsecd NT	7.300	7.040	05/13/2019	101.7000	40,000.00	40,680.00	A2/A
P 05/08/2009	Morgan Stanley SR Unsecd NT	7.300	7.040	05/13/2009	101.9200	40,000.00	40,768.00	A2/A
P 05/08/2009	Morgan Stanley SR Unsecd NT	7.300	7.040	05/13/2009	101.8290	20,000.00	20,365.80	A2/A
P 05/05/2009	Rockwell Collins Inc. SR Unsecd NT	5.250	5.010	07/15/2019	101.8950	45,000.00	45,852.75	A1/A
S 05/15/2009	US Treas NT	1.875	1.98	02/28/2014	99.51562	50,000.00	49,757.81	Govt / Govt
P 05/13/2009	Sempra Energy SR Unsecd NT	6.500	6.30	06/01/2016	101.1400	55,000.00	55,627.00	Baa1/BBB+

P 05/13/2009	Sempra Energy SR Unsecd NT	6.500	6.30	06/01/2016	101.0900	75,000.00	75,817.50	Baa1/BBB+
S 05/15/2009	US Treas NT	1.750	1.94	01/31/2014	99.15625	40,000.00	39,662.50	Govt. / Govt.

The board unanimously approved the following refunds/rollovers:

Name	Unit	Department	Position	Amount	Service
Darlene Glidden	Town	Police Dept.	Dispatcher	\$1,252.86	0.3333
To IRS:				\$ 313.21	
Tiffany Casalnuova	School	Spec. Ed.	Aide	\$ 338.62	0.1667
To IRS:				\$ 84.66	

The board respectfully acknowledged the following deaths:

Rosemary Cogswell-

Rosemary Cogswell was hired on August 31, 1970 as a clerical assistant in the school department. On January 10, 1986, after 15 years of service, Rosemary retired from her position. She passed away on May 3, 2009 at the age of 86.

David Lent –

David Lent was hired by the Town of Concord on August 3, 1987 as a Mechanic for the Concord Public and Concord-Carlisle Public Schools. Mr. Lent had approximately 25 years with the Town of Maynard in addition to his 13 years of service with the Town of Concord. With more than 37 years of combined service, David retired from his position on September 7, 2000. David died on April 25, 2009 at the age of 67.

Helen Cormier -

Helen Cormier was the surviving spouse of Joseph Cormier. Joseph Cormier hired by the Town of Concord as a school bus driver on September 4, 1973. Joseph passed away on May 27, 1994. Helen Cormier was born on September 17, 1915. After a brief illness, she passed away on May 7, 2009 at the age of 93.

Dianne Woodland –

Dianne Woodland was hired by the Concord Public/Concord-Carlisle Regional School District as a bus driver on November 9, 1987. After a lengthy battle with cancer, Dianne passed away as a member-in-service on May 14, 2009 at the age of 66.

The board reviewed a request from Massport to accept liability for Houssam H. Sleiman for a period of time between June 8, 1984 and October 12, 1984 when Mr. Sleiman had worked for the Town of Concord. After reviewing relevant documents, Tony Logalbo motioned not to accept liability for the period of time between June 8, 1984 and October 12, 1984 because Mr. Sleiman was not a member of the retirement system and was not erroneously excluded from membership. Arnold Roth seconded the motion. **Voted unanimously.**

A buy back request from John Kennedy was presented to the board. Mr. Kennedy is requesting the opportunity to purchase creditable service for the period of time between April 10, 1980 and July 1, 1981 when he worked as a “special police officer” and a “cadet” officer. The board reviewed M.G.L. c. 147 section 21A regarding police cadets. Since Concord is not a civil service community, the board directed their administrator to contact PERAC for their opinion as to whether or not c. 147 section 21A applies. Tony Logalbo moved to table this matter for the June 23, 2009 board meeting. Arnold Roth seconded the motion. **Voted Unanimously.**

A buy back request from Paul Macone was presented to the board. Mr. Macone is seeking an opportunity to purchase creditable service for the period of time between 1980 and 1981 when he worked at the Division of Youth Services. A request was previously sent to the State Board of Retirement on February 11, 2009 for acceptance of liability. The State Board of Retirement denied the request on the basis that the individual was not a member of the State Board of Retirement and was not erroneously excluded from membership. The board directed their administrator to obtain additional information regarding Mr. Macone’s “non-employee” status reported on the W-2’s from that same time period. Tony Logalbo motioned to table this matter for the June 23, 2009 board meeting. Arnold Roth seconded the motion. **Voted unanimously.**

Dianne Woodland, an employee at the Concord/Concord-Carlisle school departments, passed away on May 14, 2009. The board was asked to grant an additional one month of creditable service for a period of time when Ms. Woodland was

on a leave of absence from her position. Motion was made by Tony Logalbo to grant one month of creditable service for the period of time when Ms. Woodland was on a leave of absence. Arnold Roth seconded the motion. **Voted unanimously.**

The board was provided with the following: PERAC Memo 20/2009: Revisions to PERAC's Accounting Manual; PERAC Memo 21/2009: Disability Retirement and the New Treating Physician's Statement; PERAC Memo 22/2009: SJC decision in Foresta v. Contributory Retirement Appeal Board.

Larry Stone from Stone Consulting Inc. presented the board with an interim valuation at December 31, 2008. Mr. Stone discussed the effects of negative investment returns in 2008, actuarial asset losses and funding schedules. He also spoke of possible pension reforms, other post employment benefits (OPEB) and 3(8)(c) changes.

The expected investment return for 2008 was 7.75%. As a result of the global financial crisis, the system's actual investment return was -23.8% with a monetary loss of \$29.5 million. Larry informed the board that if they choose an asset smoothing approach to the funding schedule, Fiscal 2012 will recognize \$21.2 million of the \$29.5 million loss and at 2014 the 2008 losses will be fully recognized. Maintaining a \$3 million contribution level and an annual amortized contribution increase of 4.5% will result in a 16 year funding schedule beginning with 2012.

In keeping with a \$3 million contribution level, using the market value of assets and 4.5% contribution annual amortization increase, the result would be a funding schedule that exceeds the current statutory funding limits.

Currently, the funding schedule calls for contributions at \$3 million for Fiscal 2010; \$2.3 million for Fiscal 2011; and \$1.3 million for Fiscal 2012. In order to achieve a fully-funded status at 2028, the contribution level needs to be increased to \$4 million per year for Fiscal 2012 and 2013 in addition to increasing the amortization and normal cost by 3%.

Other actuarial assumptions could include a change in mortality tables, a change in interest assumptions and a change in amortization tables as a result of changes to salary.

Tony Logalbo presented the board with the asset allocation and market values at April 30, 2009. Concord's portfolio continues running ahead of PRIT's with regard to the relative returns. The allocation at April 30, 2009 is 44.21% fixed income, 43.36% equity, 10.31% alternative investments, and 2.12% cash. The goal of the retirement board is to achieve an asset allocation of 60% equity and 40% fixed. The board will continue to evaluate the capacity of the financial markets to support their expectations of 60/40 asset allocation returns.

The meeting adjourned at: 11:15 a.m.

Peter J. Fulton – Chairman (elected)

Anthony T. Logalbo – (appointed)

Brian J. Whitney – (elected)

Gail Eagan-Henry – Ex Officio

Arnold Roth – (appointed 5th member)