

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, November 27, 2007 at the Town House, Concord, MA.

Present: Peter Fulton – Elected Member, Chair
 Brian Whitney – Elected Member
 Tony Logalbo - Appointed Member
 Gail Eagan-Henry - Ex-Officio Member

Also Present: Linda Boucher - Retirement Administrator
 Glen Harris – Russell Investment Group
 Lawrence Stone – Stone Consulting, Inc.
 Maura Perkins – Observer from the Finance Committee

The Board unanimously approved the minutes for October 30, 2007.

The Board unanimously approved the payroll for November 30, 2007 as follows:

Payroll –
 Pension \$ 322,041.86
 Annuity \$ 54,302.02
 Total Payroll \$ 311,971.50

The Board unanimously approved the expenditures as follows:

Expenses

ADP, Inc.	Invoice # 545682	\$ 883.04
Bank of America	Account Analysis – Invoice #07100106094	\$ 479.31
Gov.'t Finance Officers Assoc.	Pension Benefits and Newsletter – A. Logalbo	\$ 40.00
Town of Concord	Reimbursement – P.C. and Server Retirement Office	<u>\$3171.87</u>
Grand Total		\$4574.22

The Board unanimously approved the Investment Transactions as follows:

Transactions

Purchase Sale	Description	%	Yield to Mat	Mat Date	Price	Par	Total	Accr	Rating
P 11/16/2007	US Treasury Note	4.625	3.63	02/29/2012	103.90	200,000.00	207,796.88		AAA
P 11/16/2007	US Treasury Note	4.00	3.96	02/15/2015	100.26	175,000.00	175,464.84		AAA
S 11/15/2007	Carnival Corp.	3.75		11/15/2007	100	50,000.00	50,000.00		

The Board approved the following refunds:

Refunds

Name	Unit	Dept	Amount	Years of Service
Edward A. Passus	School	Delivery	\$13,009.54	8.6667
To: IRS			\$ 3,252.39	

The Board approved the following transfers:

Transfers

Name	Unit	Dept	Position	Amount	Years of Service
No transfers					

The Board voted to accept the following new members:

New Members

Name	Unit	Dept	Position	Group	Date of Hire
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No new members

The Board unanimously retirements as follows:

Retirements

Name	Unit	Dept.	Position	Amount	Years of Service
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No new retirements

In Peter Fulton's absence from the start of the board meeting, Tony Logalbo made a motion to appoint Brian Whitney as chair until such time that Peter was present. Gail Eagan-Henry seconded the motion. Voted unanimously.

Glenn Harris presented the Board with it 3rd quarter investment review. Mr. Harris explained to the board that it is the subprime mortgages that are affecting markets now. Currently, subprime represents about 5% of the gross domestic product. Mr. Harris is hopeful that consumer spending will be positive for markets in December. He stated that Russell is doing so well this year because of their value investing versus growth investing. Money managers are seeing trouble in the financial sectors of the market and the fact that the US dollar is weak may also be stirring inflation concerns. Mr. Harris linked the decline in the financial sectors market to 2008 being the highest point for ARM's to be adjusted. There is also some concern as to whether or not banks will be able to continue lending at the current rate. Tony Logalbo raised the question as to whether or not Russell's fee schedule is negotiable going forward since its fees seem to be higher compared to PRIT and Columbia. Mr. Harris noted that the fee schedule is negotiable and that Russell has no plans to change managers through the end of the year. Mr. Harris also mentioned that manager changes are not necessarily a sign of poor performance but may be a sign of an upgrade or higher confidence manager.

Larry Stone from Stone Consulting, Inc. presented the board with his "kick-off" meeting regarding actuarial assumptions for the next two years. Mr. Stone confirmed that there are five years left to the current funding schedule. Mr. Stone asked the board if there is a current funding policy. He expressed that a 2% growth schedule should be a lot easier on the Town. Basically, the terms have not changed that much compared to what the prior projections were. Larry Stone and Tony Logalbo had a dialogue regarding the benefits or lack of benefit for the board to move more money into the PRIT fund. Larry Stone responded by stating that it is a good move for some of the smaller boards but once a system becomes fully funded the board would loose the flexibility it currently has regarding market volatility and lower returns. From an actuarial perspective, Mr. Stone recommends leaving the asset allocation as is for the next two years. Additionally, Mr. Stone recommends a 7.75% assumption rate going forward. Tony Logalbo asked Larry Stone to exhibit the difference between a \$12,000 COLA base versus a \$16,000 COLA base with this year's actuarial study.

The board decided to wait until the official PERAC memo comes out regarding the COLA vote.

At the request of the board, the board administrator, Linda Boucher, will conduct further research regarding the eligibility of Florence Dee to purchase service credit between January 1, 1969 and June 30, 1969.

The meeting adjourned at 10:45 a.m.

Attest:

Peter J. Fulton – Elected Member, Chair

Brian J. Whitney – Elected Member

Anthony T. Logalbo – Appointed Member

Arnold Roth – Appointed Member

Gail Eagan-Henry – Ex-Officio Member