

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, October 30, 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**  
**Arnold Roth – Appointed Member**

Also Present: **Linda Boucher - Retirement Administrator**  
**Karen Manchuso - Retirement Assistant**  
**Kenneth Hedgebeth – Columbia Management Advisors, Inc.**  
**Brian Drainville – Columbia Management Advisors, Inc.**  
**Frank Maguire – Columbia Management Advisors, Inc.**  
**Maura Perkins – Observer from the Finance Committee**

The Board unanimously approved the minutes for September 25, 2007.

The Board unanimously approved the payroll for October 31, 2007 as follows:

**Payroll –**  
Pension \$ 324,376.84  
Annuity \$ 57,619.79  
Total Payroll \$ 381,996.63  
Adj. -1,826.74 (Scimone; Leach)  
Net Payroll \$ 380,169.89

The Board unanimously approved the expenditures as follows:

**Expenses**

ADP, INC	Invoice # 521124, 486916 and 532977	\$ 1,066.93
Alpha Graphics	Invoice # 27166025 (Linda's Business Cards)	\$ 68.07
Bank of America	Account Analysis - Inv # 07090104971	\$ 481.17
Corporate Express	Inv # 81668243 – Printer Toner	\$ 117.94
Linda Boucher	Travel Reimbursement- Springfield Fall Conf.	\$ 520.29
McWalter-Volunteer Ins	Inv # 157178 – P. Fulton's Bond Renewal	\$ 75.00
Town of Concord	Telephone Maint. Charges- Q2FY08	\$ 98.87
Peter Fulton	Travel Reimbursement – Springfield Fall Conf.	\$ 405.27
Frank Russell	Management Fees -	\$ 39,727.00
Town of Concord	Services Rendered – 7/1 – 9/30/07	\$ 21,305.25
Bank of America	Management Fees	\$ 23,338.22
	<b>Grand Total</b>	<b>\$ 87,204.01</b>

The Board unanimously approved the Investment Transactions as follows:

**Transactions**

Purchase Sale	Description	%	Yield to Mat	Mat Date	Price	Par	Total	Accr	Rating
P 09/28/07	US Treasury Bond	7.250	4.87%	08/15/2022	124.9101	205,000.	256,065.82		
P 09/28/07	US Treasury Note	4.625	4.19%	02/29/2012	101.72656	300,000.	305,179.69		
P 09/28/07	US Treasury Note	4.000	4.44%	02/15/2015	97.26171	200,000.	194,523.44		
S 10/15/07	Proceeds Maturity Potomac Electric Power Co	6.250		10/15/2007		150,000.	150,000.00		

**The Board approved the following refunds:**

**Refunds**

Name	Unit	Dept	Position	Amount	Years of Service
Scott P Anderson	School	Maintenance	Custodian		21.00
To: MFS Heritage Trust Co.				\$ 65,801.17	
Gail S. Vettrus	School	Human Resources	Secretary		5.50
To: ING				\$ 19,332.01	

**The Board approved the following transfers:**

**Transfers**

Name	Unit	Dept	Position	Amount	Years of Service
Karen G McGonigle	School	CPS	Tutor		9.25
To: Barnstable County Retirement				\$50,356.74	
Darlene Skog	School	CCHS	Tutor		1.25
To: Middlesex Retirement				\$2791.06	
Bruce W Hoar	School	CCHS	Custodian		no addtl service
To: Lexington Retirement		(Transfer additional annuity)		\$86.40	

**The Board voted to accept the following new members:**

**New Members**

Name	Unit	Dept	Position	Group	Date of Hire
Jodi Peterson	School	CPS	Tutor	1	09/06/2007
Emily O'Hara	School	CPS	Tutor	1	09/06/2007
Marta Ullrich	School	CPS	Tutor	1	09/07/2007
Dorothy Boyle	School	CPS	Secretary	1	09/17/2007
Zoe Pierce	Town	Treasury	Account Clerk	1	09/17/2007
Terrie Winograd-Block	School	CPS	Tutor	1	09/25/2007
Peter Kelly	School	CPS/CCRSD	SR Support Sec'y	1	10/09/2007
Brant Reagor	Town	DPLM	Public Health Admn	1	10/09/2007

**Retirements**

Name	Unit	Dept.	Position	Amount	Years of Service
Joseph Venti	Town	CMLP	Lineman	\$52,526.88	33.00

**Deaths**

Antonio Scimone died on 09/27/2007 at the age of 85. Mr. Scimone worked several years for the Concord School System as a bus driver and a "pony express" driver before retiring on 07/10/1998.

Bradford Leach died on October 24, 2007 at the age of 88. Mr. Leach was an employee of the Board of Health and retired on May 20, 1992 with 15 years of service.

During the recent PERAC audit, the question was raised by the auditor as to whether or not Kevin Walsh was contributing to his retirement at the appropriate rate. The situation was investigated and it was determined that Kevin was not contributing at the correct rate. His contributions were being withheld at the rate of 5% when they should have been withheld at the rate of 7%. Notification was given to Mr. Walsh that his deduction rate would be corrected immediately to a 7% contribution going forward. The board made demand that Mr. Walsh repay the difference between the amount he contributed at 5% and the amount he should have contributed at 7%. Mr. Walsh appeared before the board to request a waiver Under G.L. c. 32 §20(5) (c). The board reviewed the factual summary of the claim with Mr. Walsh and is satisfied that he has met all legal prerequisites. Brian Whitney made a motion to offer a waiver of repayment to Mr. Walsh. The motion was seconded by Arnold Roth. Voted unanimously.

All board members agreed to change the scheduled time for the December 20, 2007 meeting from 8:30 a.m. to 10:30 a.m.

Frank Maguire and Brain Drainville from Columbia Management provided the board with a presentation on its holdings with Columbia Management. Frank Maguire indicated that the past three months were an abnormal period in the market. He stated that

the system's overall portfolio was doing well relative to the benchmarks. Brain Drainville informed the board that the bond market was the worst they have seen within the last 5 years. He explained that what they are seeing is a sense of distrust with the bond rating agencies due to the higher rated sectors being some of the worst performers. He also indicated that there is a 'log jam' of mergers and acquisitions which adds to the underperformance and impacts interest rates.

The Board reviewed the October 4, 2007 update of Concord Retirement System's Asset Allocation from Anthony T. Logalbo, Finance Director, noting the total market value at 8/31/07 at \$96,001,880.91.

The board was provided with an update on Jason Gaspar. Mr. Gaspar had three different medical panel evaluations scheduled during October. They took place on October 24, October 25 and October 26. Cook and Company, the town's worker's compensation agent, provided an independent medical examination narrative from Paul Wright, M.D. This narrative was forwarded to Tom Gibson, PERAC's disability unit and the three physicians seeing Mr. Gaspar for inclusion and consideration when preparing the medical panel findings for the board.

PERAC Memo #37-2007 was presented to the board for input relating to the manner in which the dissemination of this information should take place. The memo outlines the provisions of the Pension Protection Act of 2006, most specifically, §845 of the Act. This provision allows eligible retired public safety officers to exclude from their gross income an amount up to \$3,000 that is deducted from a taxable retirement allowance for health insurance premiums or long-term care insurance contracts. This memo will be mailed to all eligible retired public safety officers.

PERAC Memo #39 – 2007 was also presented to the board. This memo relates to the Securities and Exchange Commission (SEC) action against Callan Associates.

The fall MACRS conference was held on October 14 – 17 in Springfield, Massachusetts. Peter Fulton and Linda Boucher attended the conference. A few of the topics that were of particular interest included a presentation on legal concerns for retirement boards presented by Robert Klausner, Esquire and a presentation on dealing with funding schedules and benchmarks. Additionally, the board was made aware of the presentation given by Tom Gibson, Esquire on the IRS Determination Letter Process of Tax Qualification and the Remedial Amendment Period. A roundtable discussion took place with the Massachusetts Association of Public Pension Attorneys and Massachusetts Association of Contributory Retirement System attorneys regarding regular compensation, creditable service and automobile use.

The board was presented with a preliminary budget for 2008. A memo and copy of the budget detail was forwarded to all units in the system for posting. The board will take a final vote on the proposed budget at its December meeting.

An election was held on October 26, 2007 for the purpose of filling the seat of one of its elected members whose term was to expire on October 31, 2007. The incumbent, Peter Fulton was successful in his bid for re-election. Out of the 725 eligible voters, 371 ballots were returned (51%); 66 ballots were disqualified. Mr. Fulton received 230 votes or 75% of the qualified ballots to his opponent's, John Minty, 75 votes.

The meeting adjourned at 11:00 a.m.

Attest:

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Peter J. Fulton – Elected Member, Chair

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Brian J. Whitney – Elected Member

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Anthony T. Logalbo – Appointed Member

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Arnold Roth – Appointed Member

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Gail Eagan-Henry – Ex-Officio Member