

Town of Andover
Investment Committee
Minutes of the August 10, 2021 Meeting
7:00 PM – Virtual Meeting Broadcast on Andover TV

Members Present: Andrew Gribbel, Nancy Kimelman, Andrew Betts, Aidan Forde, Brian Carbone

Staff Present: Town Manager Andrew Flanagan, Assistant Town Manager Patrick Lawlor, Finance Director Donna Walsh, Treasurer Michael Morse

The meeting was called to order at 7:00 PM.

Mr. Flanagan and Mr. Lawlor welcomed everyone to the first meeting of the Investment Committee. The members of the Investment Committee introduced themselves, their backgrounds and their interest in serving on the committee. Staff introduced themselves and explained the roles they will have supporting the committee.

Mr. Lawlor explained that the next step would be the election of officers to serve as chair, vice chair, and potentially clerk. He explained what the duties of those roles would be. There was a brief discussion amongst the members regarding interest in serving in these roles. Mr. Gribbel noted that he would be willing to serve as chair. Mr. Betts made a motion to elect Mr. Gribbel Chair of the Investment Committee and the motion was seconded by Aidan Forde. The motion passed with a 5-0 vote. Ms. Kimelman-Y; Mr. Gribbel-Y; Mr. Betts-Y; Mr. Forde-Y; Mr. Carbone-Y.

There was discussion amongst the members about serving as vice chair. Mr. Betts stated that he would be willing to serve in this role. Mr. Gribbel made a motion to elect Mr. Betts Vice Chair of the Investment Committee and the motion was seconded by Ms. Kimelman. The motion passed with a 5-0 vote. Ms. Kimelman-Y; Mr. Gribbel-Y; Mr. Betts-Y; Mr. Forde-Y; Mr. Carbone-Y.

Mr. Lawlor explained what the role of clerk would entail and stated that the town staff would provide minutes for meetings and allow the Investment Committee members to focus on their tasks and responsibilities.

Mr. Lawlor provided an overview of the open meeting law for the members of the committee. Mr. Lawlor explained that the Investment Committee is a public body and deliberation or communication among a quorum of the body, must be performed in an open meeting setting. Mr. Lawlor explained that independent research or work is permitted. Further explanation on the open meeting law continued with information on the use of sub-committees and requirements for posting meetings both the Investment Committee as a whole, as well as any sub-committees. Mr. Lawlor also explained the public records law and that any communication about committee business would be considered a public record. Mr. Lawlor stated that town emails would be established for all members.

Mr. Flanagan gave a presentation and overview on pension obligation bonds. This presentation was similar to what was presented to the Annual Town Meeting. Mr. Flanagan described the objective of pension obligation bonds, the current funding schedule for the unfunded pension liability, the details and mechanics of pension obligation bonds, risk mitigation factors, a comparison of the costs of pension obligation bonds and status quo, the current stakeholders and what they are contributing, or may contribute to the plan, and the next steps.

After the presentation there was discussion about the presentation and next steps. Mr. Gribbel stated that the committee would have to do its own analysis to weigh the risks and benefits of pension obligation

bonds. He stated time was of the essence. There was discussion about the process and composition of the borrowing. Mr. Flanagan stated that the town's financial advisor, who has been a part of pension obligation bond issuances in Massachusetts will be available at its next meeting to provide an overview.

Discussion ensued about the current assets of the Andover Contributory Retirement Board and how those investments were managed. Ms. Walsh explained the Retirement Board has an investment advisor. There was a desire from the committee to learn more about the Retirement Board's investment advisor and get familiar with them. Ms. Kimelman asked for any raw data or reports that may be available so that she can review and provide analysis. Mr. Forde asked specifically about asset allocation studies performed by the investment advisor and the town's actuary as it relates to pension obligation bonds.

There was discussion about the schedule to issue pension obligation bonds and the town was working on an aggressive schedule with their investment advisor as well as the proper state agencies.

Mr. Lawlor stated that he would be sharing with the committee the available information they requested. He also noted that the committee has been sent information from the Retirement Board.

At 8:40 PM there was a motion to adjourn by Mr. Gribbel and the motion was seconded by Mr. Betts. The motion passed with a 5-0 vote. Ms. Kimelman-Y; Mr. Gribbel-Y; Mr. Betts-Y; Mr. Forde-Y; Mr. Carbone-Y.