

Somerville Retirement Board Meeting September 29, 2016

The Regular Meeting of the Somerville **Contributory** Retirement Board duly posted to be held in the Aldermanic Chambers at City Hall, 2nd Floor, 93 Highland Ave., Somerville, MA on the above date was called to order at 9:35 AM by Chairman Bean with Board Members Memory and Ross. Also in attendance were Executive Director Michael Pasquariello, Deputy Director Britt Lazar and attorney Brian Fox. Board Members Massie and Nosnik were not in attendance.

New Business:

1. Frank Sposato and Michael Askjaer from Lazard Asset Management presented their annual review and update. A copy of the report is maintained in the Retirement Office.

2. On a motion duly made and seconded it was **VOTED** by the Board to approve the Regular and Executive Session **minutes** of the August 23, 2016 meeting and sign them into record.

3. On a motion duly made and seconded it was **VOTED** by the Board to process the *following* received account **TRANSFER** request(s) from:
 - Middlesex Retirement Board to transfer the account of Peter Forcellese, Jr. \$46,522.10
 - Lexington Retirement Board to transfer the account of Jenneke Donovan, \$1,232.84
 - Medford Retirement Board to transfer the account of Jeffline Joseph, \$2,364.05
 - Brookline Retirement Board to transfer the account of John Stacy, \$1,449.91
 - Cambridge Retirement Board to transfer the account of Caroline Thompson, \$8,621.56
 - Cambridge Retirement Board to transfer the account of Maria Carpenter, \$24,924.03
 - State Retirement Board to transfer the account of David Lutes, \$49,538.50
 - Danvers Retirement Board to transfer the account of Daniel Byrne, \$961.48

4. On a motion duly made and seconded it was **VOTED** by the Board to accept and process the *following* received Application(s) for **Withdrawal** of Accumulated Total Deductions for:
 - Timothy Fitzpatrick, School Dept. The total Refund amount is \$1,810.77
 - Martine Jeudi, School Dept. The total Refund amount is \$21,545.68
 - Richard Pacheco, Recreation Dept. The total Refund amount is \$17,398.19

5. On a motion duly made and seconded it was **VOTED** by the Board to approve, issue payment and authorize the corresponding wire transfer for **Cash Disbursement Vendor Expense Warrant** # 9-2016 in the amount of \$217,435.06

6. On a motion duly made and seconded it was **VOTED** by the Board to issue payment and authorize the corresponding wire transfer for monthly **Retiree Payroll Warrant** # 9-2016 in the amount of \$2,179,957.04 for September 2016.

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7. Received **Superannuation Retirement Applications** from:

- William Roche (Personnel Department), effective 9/17/2016.
- Rhoda Augarten (Library), effective 10/01/2016.
- Roland Gaudet (DPW), effective 10/22/2016.
- Maureen Scheiffem (Board of Health), effective 10/1/2016.

On a motion duly made and seconded it was **VOTED** by the Board to approve and process the above Superannuation retirement application(s).

8. On a motion duly made and seconded it was **VOTED** by the Board to sign the following **certificates** and include them for Membership in the Somerville Retirement System:

- Certificate #9062, Alec Sisco, Group 1
- Certificate #9089, Claudie Mirabito, Group 1
- Certificate #9104, Katey Duchin, Group 1
- Certificate #9109, Marianne Chiappini, Group 1
- Certificate #9057, Daniel Byrne, Group 1
- Certificate #9060, Jacqueline Gaffney, Group 1
- Certificate #9123, Pamela DeBerry, Group 1
- Certificate #9125, Gerald Pothier, Group 2
- Certificate #9128, Efthalia Triarhou, Group 1
- Certificate #9122, Colleen Flynn, Group 1
- Certificate #9130, William Caruso, Group 1
- Certificate #9124, Roselyn Williams, Group 1
- Certificate #9129, Angelina DiPietrantonio, Group 1

9. PERAC has **approved** the following previously Board approved **new Retirees**:

- Paula Gartland, effective 6/25/2016.
- Janice Delory, effective 6/30/2016.
- Jaan Terry, effective 6/30/2016.
- Diane O'Keefe, effective 6/29/2016.
- Alexander Lorenti, effective 8/1/2016.
- Daniel Foley, effective 7/25/2016.
- Neil Collins, effective 8/2/2016.

10. Reviewed and discussed the July 2016 Trial Balance, Cash Receipts, Cash Disbursements, Adjustments Reports and the 3 Bank Account Reconciliations.

The Q2 2016 Management Fees were: Congress (35 BP) \$110,251, Lazard (75 & 100 BP) \$23,721, Loomis Sayles (57 BP) \$88,535, RhumbLine (minimum) \$2,500.00, UBS Trumbull Property (95.5 BP 1st \$10m & 82.5 BP >) \$59,519 and Comerica (3BP 1st \$100m & 1.5 BP >) \$8,492.

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11. Britt C. Lazar, newly hired Deputy Director, is requesting reimbursement for the out of pocket health insurance payment (COBRA) she must pay her former employer to cover her health insurance for the month of September. Ms. Lazar's former employer was not a member of the Group Insurance Commission, which requires a wait period of 60 days for newly hired employees. Ms. Lazar believed there would only be a 30 day wait period. Had she been aware of the 60 day wait period, she would have discussed it during her offer negotiation. The cost of the reimbursement is \$934.65. Ms. Lazar provided documentation to the Board from Ms. Lazar's former employer of the amount due. This item was tabled in August. The request was withdrawn in September by Ms. Lazar.

12. The MACRS Fall Conference is at the Sheraton Hotel in Springfield from Sunday, 10/2 – Wednesday, 10/5/2016. The Conference registration cost is \$300.00 per person. The hotel accommodation cost is approximately \$162. per night. The 2016 budget included 3 attendees. On a motion duly made and seconded it was **VOTED** by the Board to approve Britt Lazar, John Memory and Ed Bean to attend the conference.

13. Review and discuss the draft *Actuary* Request for Proposal (RFP). On a motion duly made and seconded it was **VOTED** by the Board to approve the Actuary RFP and begin the posting process.

14. Reviewed and discussed draft Policy and Procedure # 7, Monthly Bank Account Reconciliations. On a motion duly made and seconded it was **VOTED** by the Board to approve the Policy and Procedure.

15. Rumors of (custodian) Comerica in financial news being for sale was discussed.

16. Notice received from PERAC regarding 2015 overearnings of an Accidental Disability Retiree pursuant to M.G.L. chapter 32 §91A. On 9/6/16 the disability retiree was notified via mail; requested reimbursement of the \$4,340.86 and informed that he could request a hearing. The amount of the over earnings was recalculated and PERAC confirmed that there are no over earnings for 2015. This item was resolved.

17. The contract of the Executive Director expires on 11/4/2016. Attached is a preliminary list of the goals and objectives achieved. The Director and Chairman will meet and work on the formal performance evaluation form and possibly schedule a special meeting in October.

Received from PERAC the following Memoranda:

Memo # 22/2016 (Dereliction of Duty)
Memo # 23/2016 (Tobacco Compliance list)

The following retirees recently passed away:

Emma Mahoney, on 8/28/2016. Option C beneficiary, benefits cease.

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Old Business:

Retiree **William T. Babcock/Lisa Barchard**; Received \$200.00 payments on 8/25 and 9/1/2016; current outstanding balance is \$1,552.84.

The Executive Director mailed a letter to **Lorraine Cushman** on 8/31/2016 regarding Dorothy Winn, requesting her current status. The current outstanding balance is \$3,240.00 (last payment received was \$50.00 on 11/10/2014).

The Executive Director previously provided a current summary from PERAC of the annual **stipend** \$ amount for each retirement board, noting that according to MA G.L. Chapter 32, Section 20(6) any adjustment would have to be accepted by the legislative body. This topic was *tabled at the May 2016 meeting*. The Chairman will speak with Mayoral appointed Board Member Nosnik to discuss this topic.

Portfolio Monitoring. This item was *tabled at the 8/2015 meeting*.

Death Audit Services This item was *tabled at the 10/2015 meeting*. The Director continues to research the topic and obtain more detailed information.

Continued discussing the **Fossil Free Somerville** divestment presentation. The Board continues to research and gather information regarding the effect of fossil fuel divestment on the investment portfolio and MA general laws chapter 32 and related regulations. A draft Investment Policy/Statement of Investment Objectives was provided to legal counsel and the City's attorney Jason Grossfield for review. The Executive Director began preparing a high level financial impact analysis of divestment. The Management Fee analysis portion of the analysis was reviewed. The Director will also gather historical return information for fossil fuel free funds, work with actuary Dan Sherman to obtain estimated actuarial data based on previous investment manager information if the carbon underground 200 list of public companies were divested and track the comparison between the S & P 500 and the Fossil Fuel Free S & P 500 indices. The 9/29/2016 legal memo from attorney Brian Fox was also reviewed and discussed.

At 10:41 AM on a motion duly made and seconded it was **VOTED** by **ROLL CALL** to **ENTER** into Executive Session for the purpose of discussing the status of accidental disability files/applications and legal strategy.

ROLL CALL VOTE to ENTER EXECUTIVE SESSION:

Edward Bean	YES	Robert Massie	
Alex Nosnik		Thomas Ross	YES
John Memory	YES		

On a motion duly made and seconded it was **VOTED** by **ROLL CALL** to **END** Executive Session at 11:37 AM and **RETURN** to Open Session.

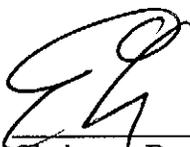
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ROLL CALL VOTE to END EXECUTIVE SESSION:

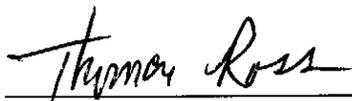
Edward Bean	YES	Robert Massie
John Memory	YES	Alex Nosnik
Thomas Ross	YES	

On a motion duly made and seconded it was **VOTED** by the Board to deny the Section 9 accidental death benefit request of Patricia Considine, based on the remand letter received from PERAC dated 5/26/2015.

On a motion duly made and seconded it was **VOTED** by the Board to adjourn the meeting at 11:39 AM.



Chairman Bean



Vice Chairman Ross

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Board Member Massie



Board Member Memory

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Board Member Nosnik