

Somerville Retirement Board Meeting June 27, 2019

The Regular Meeting of the Somerville **Contributory** Retirement Board duly posted to be held in the Conference Room at 323 Broadway, Somerville, MA on the above date was called to order at 9:44 AM by Chairman Bean with Board Members Ross, Memory and Mastrobuoni. Also in attendance was Executive Director Michael Pasquariello and Megan Costa from Lazard.

New Business:

1. Megan Costa from Lazard presented their [annual review and update](#). A copy of the report is maintained in the Retirement Office. The 5/31/2019 returns (1,3,5,10 YTD and since inception) were reviewed and discussed. The current EAFE and other bench marks were also discussed.

2. On a motion duly made and seconded it was **VOTED** by the Board to approve the Regular and Executive Session **minutes** of the May 23, 2019 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:
 - Marlborough Retirement Board to transfer the account of Jason Grossfield, \$75,204.07

4. On a motion duly made and seconded it was **VOTED** by the Board to accept and process the *following* received Application for **Withdrawal** of Accumulated Total Deductions for:
 - Jude Simon, School Dept. The total Rollover amount is \$3,749.51
 - Dina Posada, School Dept. The total Refund amount is \$7,527.94
 - Sarah DeArville, School Dept. The total Refund amount is \$2,398.83
 - Alex Nosnik, Retirement Board. The total Rollover amount is \$20,660.48

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 Warrant](#) # 6-2019 in the amount of \$617,164.37.

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](#) # 6-2019 in the amount of \$2,394,455.90 for June 2019.

7. Received **Superannuation Retirement Applications** from:
 - Paul White DPW Effective 7/01/2019
 - Catherine Ray SCH Effective 6/14/2019

- On a motion duly made and seconded it was **VOTED** by the Board to approve and process the *above* Superannuation retirement application(s).
8. The following new hire(s) have *not* completed their statement of record - Membership Application: None in June

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On a motion duly made and seconded it was **VOTED** by the Board to execute and deliver a **Suspension Letter** to each individual on the *above* list.

9. Received **PERAC final calculation approval letter** for the *following* previously Board approved **new Retirees**:

- | | | | |
|--------------------|----------|-----------|-----------|
| • Kathleen Carey | Option A | Effective | 4/01/2019 |
| • Barbara Sullivan | Option A | Effective | 3/30/2019 |

10. 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 # 9581, Shana Kelley, Group 1 - Certificate # 9583, Erinn Hodgdon, Group 1
- Certificate # 9576, Nicholas Antanavica, Group 1
- Certificate # 9575, Lisa Gallagher, Group 1 - Certificate # 9582, Justin Schreiber, Group 1
- Certificate # 9577, Gregory O'Brien, Group 1
- Certificate # 9570, Joshua Leibovitz, Group 1
- Certificate # 9584, Jennifer Sederer, Group 1 - Certificate # 9587, Eric Rehm, Group 1
- Certificate # 9585, Hannah Pappenheim, Group 1

11. Reviewed and discussed the 4 April [accounting reports](#) and 3 [Bank account reconciliations](#).

12. Review and discuss 12/1984 membership supplemental regulation: Regularly employed part-time employees working a minimum of twenty (20) hours per week must join the retirement system upon first date of employment. [[supplemental regulations](#)] On a motion duly made and seconded it was **VOTED** by the Board to adopt the policy that an individual regularly employed must work in at least 1 position 20 hours or more per week in order to be eligible for retirement membership. The Executive Director will submit an updated/modified supplemental regulation to PERAC.

13. On May 30, 2019 received an [Involuntary Superannuation Retirement Application](#) from the City for Walter Whitney in the DPW. An initial review of the application was discussed.

14. The Executive Director attended the 6/11/2019 Medical Indemnity plan.

15. Reviewed and discussed the draft Fixed Income investment manager Request for Proposal ([RFP](#)). On a motion duly made and seconded it was **VOTED** by the Board to issue the Fixed Income RFP during August.

The following retirees recently passed away:

- | | | |
|----------------------|---------|--------------------------|
| • Theresa Carroll | 5/20/19 | Option B, benefits cease |
| • Margaret Hardy | 5/27/19 | Option A, benefits cease |
| • Jaqueline Anderson | 6/05/19 | Survivor Option C |

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Received from PERAC the following Memoranda:

Memo # 17/2019 (Tobacco Company List)

Memo # 18/2019 (Audits)

Old Business:

- Continued discussing **Fossil Free Somerville** divestment. The Board continues to research and gather information regarding the effect of fossil fuel divestment on the investment portfolio, MA general laws chapter 32 and related regulations. Reviewed the current [S & P index Return Tracking Report](#). The Somerville *HRP* was assigned to the *Joint Committee on Public Service*. The *Committee* has asked the staff to perform a review in order to determine if legislation can be drafted that would permit retirement boards to make investment decisions with social concerns while maintaining fiduciary responsibility. State Representative Denise Provost re-filed the Somerville HRP in 1/2019. [Divestment Opt-In Bill](#) H 3662/S 636 has been filed by Rep. Fernandes and Senator Pacheco. Colby Cunningham and Randi Mail from Fossil Free Somerville provided a [summary](#) and update of the Bill at 4/25/19 meeting. The Senate Bill is in the Financial Services Committee and the House Bill is in the Public Service Committee. The Board informed Fossil Free Somerville that individuals may write a letter regarding Bill 3662/636. 5/23/2019 Colby Cunningham updated that: PERAC will not block the filed bill and suggested that the bill be modified to indemnify retirement boards of legal liability and state that divested funds be re-invested for maximum return.

- The Emerging Markets RFP was previously tabled. On a motion duly made and seconded it was **VOTED** by the Board to cancel the Emerging Markets RFP and notify each submitter.

-**Proxy Voting Policy.** Board Member Ross has requested a copy of the NCPERS Proxy Voting policy for review.

- Vacant **5th Board Member.** The Mayor has submitted David Castellarin to the City Council and Confirmation Committee for approval as the 5th Board Member.

- **Cyber Security.** The Director started to obtain quotes and estimates from Travelers, NCPERS and Fred C. Church. The Director contacted Peter Quinlan at Fred C. Church and James Martinez at Arthur Gallagher & Co. Awaiting application and quote information from Michael Hutchinson from Fred C. Church. The Director requested an isolated quote for any potential exposure with the PTG software from Fred C. Church. Tabled

At 10:46 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, personnel and legal strategy. will return to open session

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ROLL CALL VOTE to ENTER EXECUTIVE SESSION:

Edward Bean	YES	Michael Mastrobuoni	YES
Thomas Ross	YES	John Memory	YES

On a motion duly made and seconded it was **VOTED** by **ROLL CALL** to **END** Executive Session at 11:40 AM and **RETURN** to Open Session.

ROLL CALL VOTE to END EXECUTIVE SESSION:

Edward Bean	YES	Michael Mastrobuoni	YES
John Memory	YES	Thomas Ross	YES


On a motion duly made and seconded it was **VOTED** by the Board to adjourn the meeting at 12:07 PM.



Chairman Bean

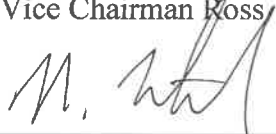


Board Member Memory



Vice Chairman Ross

XX
Board Member



Board Member Mastrobuoni