

**Somerville Retirement Board Meeting  
August 23, 2016**

The Regular Meeting of the Somerville **Contributory** Retirement Board duly posted to be held in the Aldermanic Chambers at City Hall, 2<sup>nd</sup> Floor, 93 Highland Ave., Somerville, MA on the above date was called to order at 9:38 AM by Chairman Bean with Board Members Memory, Ross, Massie and Nosnik. Also in attendance were Executive Director Michael Pasquariello and attorney Brandon Moss. Board Member Ross participated remotely.

**New Business:**

1. Chris Lazzaro from Loomis, Sayles & Co. 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 July 28, 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** requests from:
  - Medford Retirement to **transfer** the account of Ashley Williams, \$27,489.19
  - Middlesex County to **transfer** the account of George D'Amelio, \$12,839.75
  - Mass Teachers Retirement to **transfer** the account of Jessica Brainsky, \$5,707.25
  - Winchester Retirement to **transfer** the account of Suzanne Norton, \$46,912.29
  - Saugus Retirement to **transfer** the account of Kathryn Katherley, \$15,913.39
  - Mass Teachers Retirement to **transfer** the account of Kelly Miller, \$1,730.42
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:
  - Jenny Ipuz-Cantalupa, Police Dept. The total Refund amount is \$9,766.56.
  - Anne Collette, Traffic Dept. The total Refund amount is \$35,072.89.
5. On a motion duly made and seconded it was **VOTED** by the Board to issue payment and authorize the corresponding wire transfer for **Cash Disbursement Vendor Expense Warrant # 8-2016** in the amount of \$213,845.29.
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 # 8-2016** in the amount of \$2,153,021.23 for August 2016.
7. Received **Superannuation Retirement Applications** from: None received in August.

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

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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 #9037, Karyn Novakowski, Group 1  
 Certificate #9098, Jerry Lorenzo, Group 1  
 Certificate #9097, Mary Terry, Group 1  
 Certificate #9085, Lauren Chapman, Group 1  
 Certificate #9095, Midouin Theus, Group 1  
 Certificate #9099, Christopher Hosman, Group 1  
 Certificate #9100, Luciana Quintanilha, Group 1  
 Certificate #9087, Robert Anaya, Group 1  
 Certificate #9084, Shannon Henry, Group 1  
 Certificate #9054, David Ruf, Group 4  
 Certificate #9101, Joseph Ferreira, Group 1  
 Certificate #9102, Sarah Lewis, Group 1  
 Certificate #9066, James Donovan, Group 1

9. The following School Department new hires have not completed their statement of record - Membership Application: Jennifer Vo, Alec Sisco, Sam Jacobs, Jacqueline Gaffney, Daniel Byrne

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 list above.

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

- NAME, effective /2016. None received in August.

11. Reviewed and discussed the April, May and June 2016 Trial Balance, Cash Receipts, Cash Disbursements, Adjustments Reports and the 3 Bank Account Reconciliations.

The Q1 2016 Management Fees were: Congress (35 BP) \$112,638.34, Lazard (75 BP) \$22,437.39, Loomis Sayles (65 BP) \$85,643.29, RhumbLine (fixed) \$2,500.00, UBS Trumbull Property (95.5 BP 1<sup>st</sup> \$10m & 82.5 BP >) \$59,099.70 and Comerica (3BP 1<sup>st</sup> \$100m & 1.5 BP >) \$8,471.92.

12. Review and discuss the Q2 2016 Budget vs. Actual Report. The Director noted that the Board is \$100,682.12 or 42.09% under budget as of 6/30/2016. A copy of the report is maintained in the Retirement Office. The Director will post a copy on the website.

13. Received **Buyback** calculation requests from:

- Richard Willette, a current Member of the Somerville Retirement System, to buy-back 1 year and 6 months of non-member service time with the State (MDC). The State

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Retirement Board will not accept liability (not a member and not erroneously omitted). Upon proper make-up payment of \$5,108.46 to the Somerville Retirement Board, the Somerville Retirement Board will accept liability for 1 year and 6 months of creditable service. On a motion duly made and seconded it was **VOTED** by the Board to approve and process the above Buyback request.

- Theresa A. Hussey, a current Member of the Somerville Retirement System, to buy-back 2 months of non-member service time with Somerville Department of Public Works. Upon proper make-up payment of \$2,765.83 to the Somerville Retirement Board, the Somerville Retirement Board will accept liability for 2 months of creditable service. On a motion duly made and seconded it was **VOTED** by the Board to approve and process the above Buyback request.

14. Discussed the Election Officer for the 12/13/2016 election for the seat currently held by Tom Ross. On a motion duly made and seconded it was **VOTED** by the Board to designate Executive Director, Michael Pasquariello as the Election Officer for the 12/13/2016 election. The Notice of Election will be posted and distributed on 9/1/2016.

15. Britt C. Lazar, newly hired Deputy Director, is seeking 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 was only a 30 day wait period. Had she been aware of the 60 day wait period, she would have brought the issue up during the negotiation of her contract. The cost of the reimbursement is \$934.65. Provided to the Board is documentation from Ms. Lazar's former employer of the amount due. This item was tabled.

Received from PERAC the following Memoranda:  
Memo # 21/2016 (PERAC's Website update)

The following retirees recently passed away:  
NAME, on /2016. Option , negative annuity account, benefits cease.

**Old Business:**

Retiree **William T. Babcock/Lisa Barchard**; Received \$185.00 payment on 7/21/16; current outstanding balance is \$1,952.84.

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

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body. Board Member Bean and the Executive Director will draft a memo to the City expressing the sentiments of the Board. This topic was tabled at the May 2016 meeting.

**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. House Bill # 2372, filed 1/15/2015, has been referred to the Joint Committee on Public Service. A Request for Information (RFI) was issued on 4/15/2016. The RFI respondents' presentations were held at the June and July meetings. At the July meeting the Board voted to request current fund managers to respond to the same questions included in the Fossil Fuel Free RFI and to revise/update the Somerville Retirement Board's investment policy. [Reference: 840 CMR 18 regulation] Congress RFI and attachments 1, 2 & 3. The draft Investment Policy/Statement of Investment Objectives were reviewed and discussed, with Board Member Memory asking: what will the cost be to divest, will the basis point cost be less than those of the PRIT Fund, why does the Board want to change strategy (performance has been highly ranked in past 10 years in the State), do any Board Members believe that any of the investment managers are doing an insufficient job and if any Board Members have been receiving any form of compensation to advocate fossil fuel divestment. On a motion duly made by Board Member Nosnik and seconded it was **VOTED** by the Board to have the Board's legal counsel and the City's attorney Jason Grossfield review the updated and revised Investment Policy and the Due Diligence memo; conduct a high level financial impact analysis of divestment. On a motion duly made by Board Member Massie and seconded it was **VOTED** by the Board to approve sharing and sending the Assistant Attorney General a copy of the Board's actions from the August meeting.

At 11:23 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	YES
Alex Nosnik	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 12:11 PM and **RETURN** to Open Session.

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**ROLL CALL VOTE to END EXECUTIVE SESSION:**

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

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

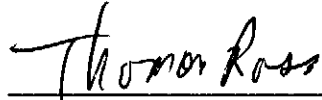



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Chairman Bean


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Board Member Massie




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Vice Chairman Ross




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Board Member Memory

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Board Member Nosnik