

Somerville Retirement Board Meeting September 24, 2018

The Regular Meeting of the Somerville **Contributory** Retirement Board duly posted to be held in the conference room at City Hall, 3rd Floor, 93 Highland Avenue, Somerville, MA on the above date was called to order at 6:04 PM by Chairman Bean with Board Members Nosnik, Ross and Memory. Also in attendance was Executive Director Michael Pasquariello, attorney Brian Fox and actuary Dan Sherman.

New Business:

1. On a motion duly made and seconded it was **VOTED** by the Board to approve the Regular and Executive Session **minutes** of the August 30, 2018 meeting and sign them into record.
 2. On a motion duly made and seconded it was **VOTED** by the Board to process the *following* received account **TRANSFER** request(s) from:
 - Waltham Retirement Board to transfer the account of Ashleigh Concetti, \$5,976.67
 3. 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:
 - Meschac Hercule, School Dept. The total Refund amount is \$2,621.88
 - Kevin Fuentes, Housing Dept. The total Refund amount is \$4,202.94
 - Kathryn Geschwendt, School Dept. The total Rollover amount is \$5,751.40
 - Glenn Ferdman, Library Dept. The total Rollover amount is \$37,222.45
 - Darlene Richardson, School Dept. The total Refund amount is \$13,218.96
 - Joseph Capuano, School Dept. The total Refund amount is \$17,893.90
 - Natasha Wilson, School Dept. The total Refund amount is \$310.28
 4. 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** # 9-2018 in the amount of \$139,418.16
 5. 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** # 9-2018 in the amount of \$2,330,269.38 for September 2018.
 6. Received **Superannuation Retirement Applications** from:
 - Fehlan, William Fire Department Effective 09/30/18
 - Stuart, Paula Housing & Community Dev. Effective 10/10/18
 - Mark Nicholson Fire Department Effective 9/30/2018
- On a motion duly made and seconded it was **VOTED** by the Board to approve and process the *above* Superannuation retirement application(s).
7. Received **PERAC final calculation approval letter** for the *following* previously Board approved **new Retirees**: None in September

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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 # 9433, Jessica Davis, Group 1.
- Certificate # 9441, Molly Kilday, Group 1
- Certificate # 9459, Alba Dowds, Group 1
- Certificate # 9450, Juana Ramirez, Group 1
- Certificate # 9464, Christina Carroll, Group 1
- Certificate # 9425, Brian Geragosian, Group 1
- Certificate # 9447, Molly Dickerson, Group 1
- Certificate # 9453, Michael Barone, Group 1
- Certificate # 9457, Carla Rocha, Group 1
- Certificate # 9456, Doreen Jenkins, Group 1
- Certificate # 9448, Webster McEvoy, Group 1
- Certificate # 9427, Aaliyah McCarter, Group 1
- Certificate # 9468, Patrick Johnson, Group 1
- Certificate # 9469, John DellAnno, Group 1
- Certificate # 9471, Rachel Caffey, Group 1
- Certificate # 9472, Jose Mendez, Group 1
- Certificate # 9475, Juliana Perez, Group 1
- Certificate # 9474, John Murray, Group 1

9. The following (School) new hire(s) have *not* completed their statement of record - Membership Application: None in September

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.

10. [MACRS conference](#) in Springfield. The Conference registration cost is \$320.00 per person; Sheraton Hotel is approximately \$172.00 per night. On a motion duly made and seconded it was **VOTED** by the Board to authorize and approve 3 attendees to the conference.

11. On 9/12/2018 received an [Involuntary Superannuation retirement application](#) (dated 9/10/2018) for Stephen Shea (Custodian) from DPW Department Head, Stanley Koty. The Director requested a copy of all [certified mail, return receipt documentation](#) on 9/12/2018. 9-20-2018 attorney Jamie Goodwin [requested a hearing](#) and that the involuntary superannuation application be tabled until Mr. Shea submits an accidental disability application.

12. Phuong Diep, a School Department employee, injured 10/12/2016 [proposed workers compensation lump sum settlement agreement](#) with 20% offset payment to the Retirement Board if she were to ever be awarded accidental disability retirement benefits. On a motion duly made and seconded it was **VOTED** by the Board to approve the 20% offset to the Retirement Board.

13. The Executive Director's anniversary is 11/4/2018. Preliminary draft [list of accomplishments/achievements](#), which will be further discussed at the October meeting.

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Received from PERAC the following Memoranda:

Memo # 25/2018 (Section 91A Allowable Earnings)
Memo # 26/2018 (Regular Comp – unused leave time)
Memo # 27/2018 (Direct Deposit Scam)
Memo # 28/2018 (Q4 Training)

The following retirees recently passed away:

- | | | |
|-----------------------|---------|--|
| • Alexander, Edward | 8/29/18 | Opt B, negative annuity (no benefit) |
| • Capasso Sr, Michael | 8/29/18 | Active – Survivor/spouse Benefits |
| • Richard Cheney | 9/12/18 | In service, lump sum Survivor Benefits |
| • Dennis Lennon | 9/12/18 | Option C, survivor benefits begin. |

Old Business:

- **Actuary Dan Sherman** presented 1/2018 [Actuarial Valuation preliminary results](#) at the March meeting. An updated [summary spreadsheet](#) was created and reviewed. [Results](#) for a \$15,000. base, 8% Investment Return and 2.75% COLA were also generated. Dan attended the September meeting, reviewing the summary options. Dan will generate information for a 2034 funding schedule and will attend the October meeting.

- Retiree **William T. Babcock/Lisa Barchard**; current outstanding balance is \$1,552.84. Last payment received was 9/1/16; Lisa Barchard has been in default of probation (missing) since 3/17/2017. A warrant was issued for her arrest. Director followed up, left voicemail messages on 10/5, 11/7, 12/6/2017, 5/2, 6/19/18 & 8/28/18 with her Probation Officer (Jennifer Carter).

- 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](#). [Bill 3281](#) was heard on 10/10/2017 at the State House, Public Service Committee with *no action taken*. 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 Board's to make investment decisions with social concerns while maintaining fiduciary responsibility. *The Joint Committee on Public Service* staff is conducting research and is looking at a bill with statewide options for Retirement Boards to decide individually. They may want to meet with the SRB.

-The International and Emerging Markets equity investment manager **Request for Proposals** (RFP) were issued and posted on 1/2/2018. The [International Equity list of received proposals](#) and the [Emerging Markets list of received proposals](#) were reviewed at the 2/22/2018 meeting. All of the submissions were digitally saved on the Microsoft Office OneDrive. The Director confirmed that all Board Members have reviewed all submissions.

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Each Board Member completed their formal evaluation for each submission. *International Equity* - The Director created a [summary](#). *Emerging Markets* - The Director created a [summary](#). Conducted interviews with *Metis Global, Baron Capital and Thornburg Investment* at the 9/24/2018 meeting for the Emerging Market RFP.

- Vacant **5th Board Member**. The Board interviewed the following 3 candidates: [John Brown](#), [Gerald McCue](#) and [Ronald Draper](#) on 2/7/2018. The Board was unable to choose the 5th Board Member; not able to obtain a majority vote for either Ronald Draper or Gerald McCue. The Mayor selected and submitted Gerald McCue to the Board of Alderman for confirmation on 3/22/2018.

- **Cyber Security**. The Director started to obtain quotes and estimates from Travelers, NCPERS and Fed 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

- **Office Space**. HVAC installation with Nadeau Mechanical \$2,000.00 deposit for materials. On a motion duly made and seconded it was **VOTED** by the Board to authorize and approve the \$2,000.00 wire deposit payment to (Andre) Nadeau Mechanical. Fire alarm American Alarm requiring 50% deposit of \$492.03. On a motion duly made and seconded it was **VOTED** by the Board to authorize and approve the \$492.03 wire deposit payment to American Alarm. The Ergo Girls: conference room table, electronics panel and 12 chairs plus desk assembly 1st installment (54%) \$4,000.00. On a motion duly made and seconded it was **VOTED** by the Board to authorize and approve the \$4,000.00 wire deposit payment to The Ergo Girls.

-**PTG**. Previously reviewed and discussed current PTG software contract status. The Director provided current contract information and proposed [7 year contract amendment annual payment schedule](#). The Board voted to issue a pension software RFP (30B) during September at the July meeting. Issued and posted a pension software RFP on 9/12/2018.

At 7:43 PM 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.

ROLL CALL VOTE to ENTER EXECUTIVE SESSION:

Edward Bean	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 8:02 PM and **RETURN** to Open Session.

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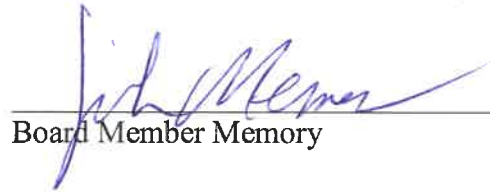
ROLL CALL VOTE to END EXECUTIVE SESSION:

Edward Bean	YES	Alex Nosnik	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 8:14 PM.



Chairman Bean



Board Member Memory



Vice Chairman Ross

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Board Member



Board Member Nosnik