

Somerville Retirement Board Meeting October 23, 2014

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 8:40 AM by Vice Chairman Bean with Board Members Ross, and Faison. Also in attendance was Executive Director Michael Pasquariello. Board Member Memory was not in attendance.

New Business:

1. Actuary Dan Sherman was not able to attend the meeting.
2. On a motion duly made and seconded it was **VOTED** by the Board to approve the Regular and Executive Session minutes of the September 25, 2014 meeting and sign them into record.
3. On a motion duly made and seconded it was unanimously **VOTED** by the Board to issue payment and authorize the corresponding wire transfer for **Cash Disbursement Vendor Expense Warrant # 10-2014** (copy attached).
4. On a motion duly made and seconded it was unanimously **VOTED** by the Board to accept and process the following received Applications for **Withdrawal** of Accumulated Total Deductions for:
 - Amanda Holm. The total Refund amount is \$5,361.08.
 - Idyle Blanc. The total Rollover amount is \$44,825.92.
5. On a motion duly made and seconded it was **VOTED** by the Board to process the following received account **TRANSFER** requests:
 - Received from the Arlington Retirement Board to **transfer** the accounts of Matthew Peirce and Krishan Kalia.
 - Received from the Cambridge Retirement Board to **transfer** the account of Anne Cohen
6. On a motion duly made and seconded it was unanimously **VOTED** by the Board to issue payment and authorize the corresponding wire transfer for monthly **Retiree Payroll Warrant # 10-2014** in the amount of \$1,995,337.18 for October 2014.
7. Review the August 2014 Trial Balance, Cash Receipts, Cash Disbursements and Adjustments Reports.
8. On a motion duly made and seconded it was unanimously **VOTED** by the Board to sign the following certificates and include them for Membership in the Somerville Retirement System:

**Somerville Retirement Board Meeting
October 23, 2014**

Certificate # 7910, Melanie Kessler, Group 1. Certificate #7915, Michael Cabral, Group 4.
Certificate # 7917, James DiFraia, Group 1. Certificate # 7918, Stephen Nace, Group 1.
Certificate # 7919, Kerry Hines, Group 1. Certificate # 7920, Susan DosReis, Group 1.
Certificate # 7921, Ermania Fortes, Group 1. Certificate # 7922, Rebecca Luz, Group 1.
Certificate # 7923, Maureen Terry, Group 1. Certificate # 7924, Kevin Klein, Group 1.
Certificate # 7925, Paula Wood, Group 1. Certificate # 7926, Erica Pisano, Group 1.
Certificate # 7927, Ashleigh Concetti, Group 1. Certificate # 7934, Pat Melo, Group 1.
Certificate # 7928, Eliza Pratt, Group 1. Certificate # 7935, Valeri Giltinan, Group 1.
Certificate # 7936, Lenny Bautista, Group 1. Certificate #7938, Melissa Alberto, Group 1.
Certificate # 7939, Theresa Deluse, Group 1. Certificate # 7942, Lauren Ziemer, Group 1.
Certificate # 7943, Kendia Vertus, Group 1. Certificate # 7946, Bryant Brown, Group 1.
Certificate # 7945, Holly Flanagan, Group 1. Certificate #7948, Cynthia Smithy, Group 1.

9. Received Superannuation Retirement Applications from:

- Charles Femmino, effective 10/1/2014.
- Carla Lincoln, effective 9/30/2014.
- Russell Campbell, effective 1/23/2015.
- Anthony Stroschio, effective 10/16/2014.

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

10. PERAC has approved the following previously Board approved new retirees:

- Margaret Leavitt, effective 9/4/2014.
- Mary Ann Wall, effective 9/15/2014.
- Jean Richard Laine, effective 9/8/2014.

11. Received a Buyback calculation request from:

- Marita Coombs, a current Member of the Somerville Retirement Board, to buyback Non-Member, part time service at the Library from 2005-2011. Upon proper make-up payment of \$15,196.73 to the Somerville Retirement Board, the Somerville Retirement Board will accept liability for 2 years 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.

12. Review and discuss the Credit Card supplemental regulation. On a motion duly made and seconded it was **VOTED** by the Board to approve and adopt the Credit Card supplemental regulation. The Executive Director will submit the supplemental regulation to PERAC.

**Somerville Retirement Board Meeting
October 23, 2014**

13. Review and discuss the Monthly Retiree Payroll Policy and Procedure. On a motion duly made and seconded it was **VOTED** by the Board to approve the Monthly Retiree Payroll Policy and Procedure with the modification the Executive Director will review and initial the payroll Warrant.

14. Review and discuss the Cash Disbursement Policy and Procedure. On a motion duly made and seconded it was **VOTED** by the Board to approve the Cash Disbursements Policy and Procedure with the modification the Executive Director will review and initial the wire instruction memo. Vice Chairman Bean noted that he would like a formal, separate Procurement Policy and Procedure in the future.

15. The Executive Director's 1 year anniversary is 11/4/2015. The Executive Director will submit a formal list of accomplishments to the Board in November.

16. NCPERS conference in New Orleans October 26 - 29th. On a motion duly made and seconded it was **VOTED** by the Board to renew the Board's membership in NCPERS.

17. 2nd Annual NE Institutional Investors Forum, 11/19/2014 at Sheraton Boston.

Received from PERAC the following Memorandums:

Memo # 30/2014 (Tobacco Company List)
Memo # 31/2014 (Board Member Training)
Memo # 32/2014 (Appropriation Data)

The following retirees recently passed away:

David Stagnone, on 9/16/14. Option B, negative annuity, benefits cease.
Mary Hanson on 10/4/14. Option B, negative annuity, benefits cease.
Tina Pagliarulo on 10/10/14. Option B, negative annuity, benefits cease.

Old Business:

Reviewed and discussed the May 5, 2014 Comerica letter received regarding Globe Tax foreign withholding tax recoveries. The Executive Director sent a response letter to Comerica on June 26, 2014. The Executive Director received an e-mail response back from Daniel Berd on 7/1/2014, again providing and asking us to complete Globe Tax forms/application. The Executive Director and Board Member Memory mailed a letter to Comerica on August 29, 2014 asking where in the executed Agreement Comerica is authorized to utilize a 3rd party or charge additional fees related to withholding tax recovery and to continue the existing policy of recovery with Comerica without using Globe Tax. Currently, no response has been received. The Executive Director will follow up with a telephone call to Daniel Berd at Comerica.

Somerville Retirement Board Meeting October 23, 2014

Discuss Cypress Asset Management status. Cypress Asset Management was hired during 3/2006. 4/2011 voted to terminate the contract with Cypress and instructed Xavier Urpi to liquidate all holdings. On April 23, 2014 Board received a letter from Cypress regarding 5 securities from the 4/2011 liquidation process. On May 8, 2014 the Executive Director mailed a response letter to Cypress acknowledging receipt of their letter. A copy of the April 2011 State Street statement with the sale transactions for the 5 securities has been located. After numerous requests and follow-up by attorney Matthew Buckley, no supporting documentation has been received from Xavier Urpi or his attorney. On 8/14/2014 Attorney Matthew Buckley sent a letter to Xavier Urpi at Cypress Asset Management requesting the securities, the money and all supporting documentation related to the 5 securities referenced in his 4/23/14 letter be returned to the Board. On September 9, 2014 the Executive Director sent a letter to Xavier Urpi at Cypress again requesting the securities, the money and supporting documentation be returned to the Board and set a response deadline of 10/17/2014. On 9/22/14 Matt Buckley received a call from Ed Swanson, attorney for Mr. Urpi indicating that he would provide the supporting documentation. Since 9/22/14 and as of 10/23/2014 the Executive Director or Matt Buckley has not received any other response or documentation. The Executive Director will schedule a telephone conference for himself and attorney Matthew Buckley with Compliance Officer Thomas O'Donnell at PERAC in order to discuss the current situation with Mr. O'Donnell.

Continue discussing the Fossil Fuel Divestment presentation. The Board will continue to research and gather information regarding the effect of fossil fuel divestment on the investment portfolio. All Investment Manager information received was forwarded to actuary Dan Sherman in order to prepare sample valuation data reflecting the Investment Manager information. On August 5, 2014 the Executive Director issued a statement on behalf of the Board during an interview with Somerville Neighborhood News (SCATV). 9/25/14 the Executive Director provided the initial results from actuary Dan Sherman's divestment valuation. A copy of a Pension & Investments article from 7/7/2014 was distributed and discussed. The Board invited Actuary Dan Sherman to the October Board meeting to present and explain the initial results from his divestment valuation. Actuary Dan Sherman was not able to attend the 10/23 meeting to explain and discuss the results from his initial divestment valuation. The Executive Director has created a Fossil Fuel Divestment page on the website in order to post all of the divestment information and written a notice that will be distributed to all retirees and members informing them of the website page and requesting e-mail feedback and comments. The Executive Director will request investment managers provide information, if the Board divested from Fossil Fuel companies on the top 200 list, where and how they would reinvest the funds. The Executive Director will then work with actuary Dan Sherman in order to obtain actuarial valuation results reflecting divestment over a 5 year period and divestment and then reinvesting the divested funds. The Executive Director has started to research and gather information regarding alternative investments and fossil free index funds.

**Somerville Retirement Board Meeting
October 23, 2014**

Matt Buckley was at the DALA hearing for Paul Timmins on January 15, 2014. Mr. Timmins lost his appeal at DALA and appealed the decision to CRAB.

On a motion duly made and seconded it was **VOTED** by the Board to request a medical panel for accidental disability applicant Leonard Saltman.

At 9:18 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 the involuntary accidental disability application of Stephen Shea.

ROLL CALL VOTE to ENTER EXECUTIVE SESSION:

Edward Bean	YES
John Memory	
Thomas Ross	YES
Austin Faison	YES

On a motion duly made and seconded it was **VOTED** by **ROLL CALL** to **END** Executive Session at 9:30 AM and **RETURN** to Open Session.

ROLL CALL VOTE to END EXECUTIVE SESSION:

Edward Bean	YES
John Memory	
Thomas Ross	YES
Austin Faison	YES

At 9:31 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 the status and legal strategy on the John Buonomo matter.

ROLL CALL VOTE to ENTER EXECUTIVE SESSION:

Edward Bean	YES
John Memory	
Thomas Ross	YES
Austin Faison	YES

On a motion duly made and seconded it was **VOTED** by **ROLL CALL** to **END** Executive Session at 10:10 AM and **RETURN** to Open Session.

ROLL CALL VOTE to END EXECUTIVE SESSION:

Edward Bean	YES
John Memory	
Thomas Ross	YES
Austin Faison	YES

**Somerville Retirement Board Meeting
October 23, 2014**

On a motion duly made and seconded it was **VOTED** to adjourn the meeting at 10:41 AM.

Chairman



Vice Chairman Bean


Board Member Ross

XX

Board Member Memory


Board Member Faison