

Somerville Retirement Board Meeting November 27, 2018

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 6:16 PM by Vice Chairman Ross with Board Members Nosnik and Memory. Also in attendance was Executive Director Michael Pasquariello, Chris Lazzaro, Matthew Feeney and Katherine Hesse. Chairman Bean was not in attendance.

New Business:

1. Chris Lazzaro from Loomis Sayles presented their annual review and update. A copy of the report is maintained in the Retirement Office.
2. Katherine Hesse and [Matthew Feeney](#) from law firm Murphy, Hesse, Toomey & LeHane discussed current staffing, client coverage strategy and [contract](#) billing rates.
3. On a motion duly made and seconded it was **VOTED** by the Board to approve the Regular and Executive Session **minutes** of the October 26, 2018 meeting and sign them into record.
4. On a motion duly made and seconded it was **VOTED** by the Board to process the *following* received account **TRANSFER** request(s) from:
 - Lynn Retirement Board to transfer the account of Michael Bertino, \$8.16
 - Cambridge Retirement Board to transfer the account of Arpita Roy, \$6865.10
 - Watertown Retirement Board to transfer the account of Jacob Kaplan, \$2,751.17
 - Boston Retirement Board to transfer the account of Edward O'Donnell, \$23,031.42
 - Salem Retirement Board to transfer the account of John Ankiewicz, \$27,928.81
5. 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:
 - Louis Remigio, Police Dept. The total Rollover amount is \$185,171.99
 - Olivia Thomas, School Dept. The total Rollover amount is \$905.92
 - Rohini Bhinsen, School Dept. The total Refund amount is \$4,150.04
 - Kacey Brister, Communication Dept. The total Refund amount is \$16,587.75
6. 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](#) # 11-2018 in the amount of \$311,409.62.
7. 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](#) # 11-2018 in the amount of \$2,374,233.13 for November 2018.
8. Received **Superannuation Retirement Applications** from:
 - Federico, Rosemarie School Dept. Effective 12/08/2018
 - Karen Gramer Library Effective 11/18/2018

**Somerville Retirement Board Meeting
November 27, 2018**

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| • Michael Glavin | OSPCD | Effective | 11/24/2018 |
| • Patricia Marques | School Dept. | Effective | 01/08/2019 |
| • Donna Amenta | Parking & Traffic | Effective | 01/26/2019 |
| • Terrence Smith | Parking & Traffic | Effective | 02/01/2019 |

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

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

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|---------------------|-----------------|--------------------|
| • Connelly, Robert | Acc Dis - Opt B | Effective 09/16/18 |
| • Howard, Christian | Acc Dis – Opt B | Effective 09/09/18 |
| • Manfra, Maryanne | Option A | Effective 09/29/18 |
| • Russell, Linda | Option B | Effective 08/07/18 |
| • Stuart, Paula | Option A | Effective 10/10/18 |

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:

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|---|--|
| - Certificate # 9493, Megan Nystrom, Group 1 | - Certificate # 9484, Ilsa Bradley, Group 1 |
| - Certificate # 9485, Phoebe Tateronis, Group 1 | - Certificate # 9503, Jorge Morel, Group 4 |
| - Certificate # 9492, Michael Kilduff, Group 4 | - Certificate # 9505, Christine Koh, Group 1 |
| - Certificate # 9510, Linda Dubuque, Group 1 | - Certificate # 9523, Leena Nayar, Group 1 |
| - Certificate # 9516, Roy Barrows, Group 1 | |
| - Certificate # 9504, Cherry Browne, Group 1 | |
| - Certificate # 9477, Francisco Reyes, Group 1 | |
| - Certificate # 9511, Richard Scanlon, Group 1 | |
| - Certificate # 9512, Jacqueline Aas, Group 1 | |
| - Certificate # 9501, Joanna Ambeliotis, Group 1 | |
| - Certificate # 9455, Daphnee Balan, Group 1 | |
| - Certificate # 9517, Surinder Kaur, Group 1 | |
| - Certificate # 9518, Denise Camara Murray, Group 1 | |
| - Certificate # 9520, Kathleen Conkey, Group 1 | |
| - Certificate # 9506, Kerry O'Donnell, Group 1 | |

11. The following (School) new hire(s) have not completed their statement of record - Membership Application: Joseph King

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.

12. Received **Buyback calculation request(s)** from:

Mark Engelsman, a current Member of the Somerville Retirement System (Fire Dept.), to purchase two (2) years eleven (11) months, of military service. Upon proper, complete payment of \$4,681.34 to the Somerville Retirement Board, the Somerville Retirement

Somerville Retirement Board Meeting November 27, 2018

Board will accept liability for two (2) years, eleven (11) months of creditable service. On a motion duly made and seconded it was **VOTED** by the Board to approve and process the above buyback.

13. Reviewed and discussed the 4 September [accounting reports](#).

14. Reviewed and discussed the current [cash flow projection](#).

15. Review and discuss the Q3 2018 [Budget vs. Actual Report](#). The Director will post a copy on the website.

16. Review and discuss the calendar year *draft* [2019 Budget](#).

Received from PERAC the following Memoranda:

Memo # 32/2018 (Procurement)

The following retirees recently passed away:

- | | | |
|--------------------|----------|----------------------------------|
| • Monaco, Vita | 10/27/18 | Surv Opt C – Benefits cease |
| • Tolley, Jennings | 11/03/18 | Opt C Pop-Up – Benefits cease |
| • Donovan, Thelma | 11/21/18 | Opt B – Depleted Annuity Balance |

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. Nisa from State Representative Denise Provost informed the Director that the Somerville *HRP* will be re-filed in 1/2019; Nisa also met with the *Joint Committee on Public Service* on 11/15/2018 to discuss options for statewide 2019 legislation.

-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. 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. Continued Discussing and reviewing the International Equity submissions. On a motion duly made

Somerville Retirement Board Meeting November 27, 2018

and seconded it was **VOTED** by the Board to schedule interviews with Parametric, Hexavest, RBC Global and Boston Partners for the 12/20/2018 meeting.

- **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. Gerald McCue withdrew from being confirmed the 5th Board Member.

- **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

-**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](#). Issued and posted a pension software (30B) RFP on 9/12/2018. On 10/12/2018 received a [price proposal](#) and [submission](#) from PTG. Current vendor PTG was the only submission. The Executive Director contacted John Reidy at PTG and discussed the annual payment schedule. PTG submitted a revised [annual payment schedule](#), resulting in a 1.51% or \$4,510.00 price reduction. The Director will obtain a draft contract and distribute it to the Board.

-**Proxy Voting Policy.** The pooled fund investment managers have notified that they are not able to implement a client specific policy. Received a [letter from PERAC](#) stating that the policy cannot be adopted as a supplemental regulation. Congress Asset Management explained that they utilize Broadridge as their proxy consultant and that it would cost \$15,000.00 up front, 1 time set up cost and approximately \$2,000.00 annually to implement and maintain the policy. tabled

At 7:57 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		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 8:03 PM and **RETURN** to Open Session.


**Somerville Retirement Board Meeting
November 27, 2018**

ROLL CALL VOTE to END EXECUTIVE SESSION:

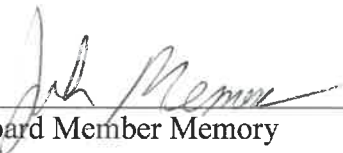
Edward Bean		Alex Nosnik	YES
John Memory	YES	Thomas Ross	YES

On a motion duly made and seconded it was **VOTED** by the Board to accept the 3 medical panel reports and approve the accidental disability based on the 3 medical panel reports for Patrick Dorant.

On a motion duly made and seconded it was **VOTED** by the Board to adjourn the meeting at 8:04 PM.



Chairman Bean




Board Member Memory



Vice Chairman Ross

Board Member



Board Member Nosnik