

Somerville Retirement Board Meeting April 26, 2018

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 Avenue, Somerville, MA on the above date was called to order at 10:07 AM by Vice Chairman Ross with Board Members Memory and Nosnik. Also in attendance were Executive Director Michael Pasquariello. Chairman Bean was not in attendance.

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 March 29, 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:

- Brookline Retirement Board to transfer the account of Thomas Joyce, \$1,259.70
- Brookline Retirement Board to transfer the account of Diane Chiang, \$8,254.22
- Mass Teachers Retirement Board to transfer the account of Zeidy Hernandez, \$6,705.79
- Wakefield Retirement Board to transfer the account of Christine Canavan, \$50,084.76

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:

- Richard Craven, Constituent Dept. The total Rollover amount is \$14,325.76
- Paul Mackey, Housing Dept. The total Refund amount is \$875.00
- Henry Diaz, Police Dept. The total Refund amount is \$87,152.54

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** # 4-2018 in the amount of \$201,861.23.

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** # 4-2018 in the gross amount of \$2,281,360.37 for April 2018.

6. Received **Superannuation Retirement Applications** from:

- , (Dept.), effective /2018 NONE in April

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 calculation approval letter** for the *following* previously Board approved **new Retirees**:

- David Doherty, effective 2/8/2018
- Jean DeAmato, effective 2/15/2018
- Anthony Sillari, effective 2/2/2018
- Mureen Lewon, effective 2/3/2018

Somerville Retirement Board Meeting April 26, 2018

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 # 9402, Anne Speicher, Group 1. - Certificate # 9382, Guy Genty, Group 1
- Certificate # 9398, David Brogan, Group 1. - Certificate # 9395, Andres Bueno, Group 1
- Certificate # 9396, Gisele Callegari, Group 1 -Certificate # 9392, Bryant Gaspard, Group 1
- Certificate # 9403, Wagner Bastos, Group 1 -Certificate # 9392, Bryant Gaspard, Group 1
- Certificate # 9410, Steven Scrugli, Group 4 -Certificate # 9407, Michael Cleary, Group 4
- Certificate # 9406, Nicholas Moreira, Group 4
- Certificate # 9408, Priscilla Ribeiro, Group 4
- Certificate # 9405, Dylan Lambert, Group 4
- Certificate # 9411, Marlana Alleva, Group 1
- Certificate # 9412, Mark Engelsman, Group 2

9. The following School new hire(s) have not completed their statement of record -
Membership Application: Alexander Soble, Joseph Braga and Emily Ackman

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. Reviewed and discussed the (4) January and February [accounting reports](#).

11. The [2017 Annual Statement](#) (to PERAC) was presented. The report was reviewed and discussed. On a motion duly made and seconded it was **VOTED** by the Board to approve the 2017 Annual Statement. The Director will submit the executed Report to PERAC.

12. Discussed the current Retirement Board office situation at the City Hall Annex. On a motion duly made and seconded it was **VOTED** by the Board to issue an RFP for commercial space to be used for office space in compliance with Chapter 30B.

13. Vice Chairman Ross was informed by SMEA Union President Ed Halloran that he believes retirement deductions *might* have possibly been deducted from his overtime pay. The Director instructed Vice Chairman Ross to have Mr. Halloran provide the Director with a copy of his pay stubs in order to research his question.

14. Board Member Nosnik raised the question and discussion if the Board could have some monthly meetings at the end of the day as opposed to in the morning. The discussion will be continued at the May meeting when Chairman Bean is in attendance.

Received from PERAC the following Memoranda:

Memo # 16/2018 (Retirement Board member Training – 2nd Qtr.)
Memo # 17/2018 (Vernava decision)

Somerville Retirement Board Meeting April 26, 2018

The following retirees recently passed away:

Anne Rose Crimmins on 3/24/2018.

Option C survivor - Benefits Cease.

Alfred Hardy on 4/3/2018.

Option A - Benefits Cease.

Robert Fahey on 3/14/2018.

Option B, negative annuity, Benefits Cease.

Eileen Layton on 4/17/2018.

Section 101 Survivor, Benefits Cease.

Old Business:

- Actuary Dan Sherman presented 1/2018 [Actuarial Valuation preliminary results](#) at the March meeting. An updated [summary spreadsheet](#) was created and reviewed. Board Member Memory suggested possibly using the average % of actual COLA's granted in the past recent years (2.75%) for the 1/2018 Actuarial Valuation Assumption. Board Member Memory would also like to see what the valuation results would look like with a \$15,000. base, 2.75% COLA and 8% investment return assumptions for FY 2020. The Director will invite Dan Sherman to the June 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 a voicemail message on 10/5, 11/7 and 12/6/2017 with her Probation Officer (Jennifer Carter).

- Continued discussing the **Fossil Free Somerville** divestment topic. 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 Reporting date was extended to Thursday May 31, 2018. PERAC has requested all public records related to fossil fuel divestment research, which the Director has compiled and copied in order to provide to PERAC. The HRP has been assigned to the Joint Committee on Public Service.

-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. The Director and Board Member Memory initially reviewed the **Emerging Markets** submissions and created a preliminary [summary](#). Discussed making arrangements to ensure that all Board Members review all submissions. The initial review of the **International Equity** submissions and [summary](#) is in process.

- Vacant **5th Board Member**. The Board interviewed the following 3 candidates: [John Brown](#), [Gerald McCue](#) and [Ronald Draper](#) on 2/7/2018. The 3 candidates were discussed at the 2/22/2018 meeting. The Board conducted a special meeting on 3/9/2018. The Board was unable to choose the 5th Board Member on 3/9, were 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.

Somerville Retirement Board Meeting April 26, 2018

- **Cyber Security.** The Director started to obtain quotes and estimates from Travelers, NCPERS and Fed C. Church. Topic was tabled.

- Discussed drafting a **Proxy Voting Policy/Guideline**. The Executive Director previously provided sample policies: Rockefeller, Ceres, Stanford & AllianceBernstein as a starting point for discussion and review. The Director obtained a copy of the PRIM Proxy Voting Policy. Topic was tabled previously. On a motion duly made and seconded it was **VOTED** by the Board to adopt the PRIM Proxy Voting policy as the Somerville Retirement Board's Proxy Voting policy, formally document the policy and provide it to the investment managers.

At 10:07 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.

ROLL CALL VOTE to ENTER EXECUTIVE SESSION:

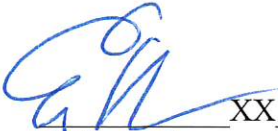
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|-------------|-----|-------------|-----|
| Edward Bean | | Alex Nosnik | YES |
| Thomas Ross | YES | John Memory | YES |

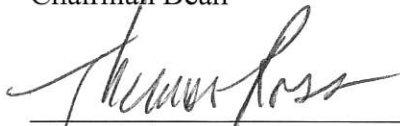
On a motion duly made and seconded it was **VOTED** by **ROLL CALL** to **END** Executive Session at 10:26 AM and **RETURN** to Open Session.

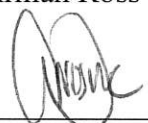
ROLL CALL VOTE to END EXECUTIVE SESSION:


| | | | |
|-------------|-----|-------------|-----|
| 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 11:25 AM.

 XX
Chairman Bean


Vice Chairman Ross


Board Member Nosnik


Board Member Memory

XX
Board Member