

Somerville Retirement Board Meeting May 24, 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 9:44 AM by Chairman Bean with Board Members Ross, Memory and Nosnik. Also in attendance were Executive Director Michael Pasquariello and attorney Brian Fox

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 April 26, 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:
 - Middlesex Retirement Board to transfer the account of Michael Cabral, \$9,959.75
 - State Retirement Board to transfer the account of John Foley, \$4,195.95
 - Medford Retirement Board to transfer the account of Todd Blake, \$26,351.29
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:
 - Anthony Palazzo, Recreation Dept. The total Refund amount is \$2,648.12
 - Michael Doar, School Dept. The total Refund amount is \$1,818.33
 - Tara Bradley, School Dept. The total Rollover amount is \$12,502.04
 - Dawn Pereira, Planning Dept. The total Refund amount is \$43,352.29
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** # 5-2018 in the amount of \$142,456.86.
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** # 5-2018 in the gross amount of \$2,336,101.93 for May 2018.
6. Received **Superannuation Retirement Applications** from:
 - Roberta Baurer – City – effective 05/16/18
 - Elizabeth M Howe – SHA – effective 06/09/18
 - Theresa DiRusso – School Dept – effective 06/22/18
 - Patricia A Grady – School Dept – effective 06/23/18
 - Margaret Huckins - School Dept - effective 06/23/18
 - Helen McMahon-Waters - School Dept - effective 06/30/18
 - Penelope Snyder – SPCD – effective 07/31/18
 - Paul Trant – Police – effective 7/17/2018.

Somerville Retirement Board Meeting May 24, 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 calculation approval letter** for the *following* previously Board approved **new Retirees**:

- John Marazzi, effective 03/01/2018
- Anna Ferullo, effective 03/22/2018

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 # 9413, Keith Bryant, Group 2. - Certificate # 9415, David Godin, Group 1
- Certificate # 9387, Alexander Soble, Group 1.
- Certificate # 9416, Joseph Leccese, Group 1. - Certificate # 9418, Bianca Aguilar, Group 1

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

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 March [accounting reports](#) and the 3 [January](#) and [February](#) Bank Account Reconciliations.

11. Reviewed and discussed the [Q1 2018 Budget vs. Actual Report](#). The Director will post a copy on the website.

12. The [MACRS](#) Spring Conference is in Hyannis from 6/3 – 6/6/2018. The Conference registration cost is \$320.00 per person. The hotel accommodation cost is approximately \$179.00 per night. The 2018 budget includes 3 attendees. On a motion duly made and seconded it was **VOTED** by the Board to approve 3 attendees to the conference.

13. Discussed the annual salary adjustment for the Administrative Assistant. The Executive Director will complete the annual performance review/evaluation form and provide the 2018 annual review to the Administrative Assistant. On a motion duly made and seconded it was **VOTED** by the Board to approve a salary increase of up to 3.5%.

14. Discussed the annual Retiree Cost of Living Adjustment (COLA) %. The Executive Director provided a copy of the 2018 [PERAC COLA Memo](#), [Boston CPI data & chart](#) and a [\\$ amount summary](#). On a motion duly made and seconded it was **VOTED** by the Board (3 to 1) to approve a 2.75% COLA to eligible retirees, effective 7/1/2018. Board Member Ross voted no.

Received from PERAC the following Memoranda:

Memo # 18/2018 ()

Somerville Retirement Board Meeting May 24, 2018

The following retirees recently passed away:

Joanne Burke on 04/18/2018 Option B – Annuity Balance Paid to Beneficiary

James O’Connell Jr on 04/18/2018 Option B – Annuity Balance Paid to Beneficiary

Old Business:

- Actuary Dan Sherman presented 1/2018 [Actuarial Valuation preliminary results](#) at the March meeting. An updated [summary spreadsheet](#) was created. Dan Sherman will attend the 6/28 meeting. [Results](#) for a \$15,000. Base, 8% and 2.75% COLA were also generated.

- 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, 12/6/2017 & 5/2/2018 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. The HRP was assigned to the Joint Committee on Public Service. A public hearing was conducted on 5/2/2018. 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. The Director will follow-up with Representative Denise Provost regarding the current status and upcoming process.

-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](#). Arrangements were made to ensure that all Board Members review all submissions. The *initial review* of the **International Equity** submissions and [summary](#) is in process and almost complete.

- 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.

Somerville Retirement Board Meeting May 24, 2018

- **Cyber Security.** The Director started to obtain quotes and estimates from Travelers, NCPERS and Fed C. Church. Topic was tabled previously. The Director contacted Peter Quinlan at Fred C. Church and will contact James Martinez at Arthur Gallagher & Co.

-Board Member Nosnik raised the question & discussion if the Board could alternate the start time for meetings at the end of the day and in the morning at the April meeting. The Board continued to discuss if every other meeting could be held at 6:00 PM. Each Board Member will provide the Director with their schedule and any potential conflicts.

- 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](#). The Board voted to adopt the PRIM Proxy Voting policy as the Somerville Retirement Board's Proxy Voting policy at the 4/26/2018 meeting, formally document the policy and add it to the supplemental regulations.

- Office Space. Letter of Intent for 323 Broadway was executed on 5/11/2018. The Request for Quotation was posted on 5/16/2018 for the office build-out. The special permit application was executed and filed with the Clerk on 5/15/2018, with it on the 6/7/2018 Planning Board agenda.

At 10:51 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:

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

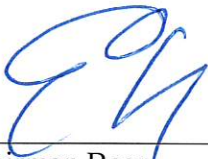
On a motion duly made and seconded it was **VOTED** by **ROLL CALL** to **END** Executive Session at 11:13 AM and **RETURN** to Open Session.

ROLL CALL VOTE to END EXECUTIVE SESSION:

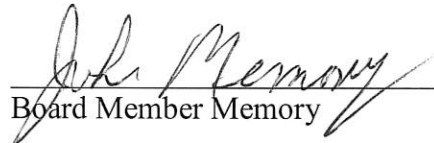
Edward Bean	YES	Alex Nosnik	YES
John Memory	YES	Thomas Ross	YES

On a motion duly made and seconded it was **VOTED** by the Board to adjourn the meeting at 11:14 AM.

Somerville Retirement Board Meeting
May 24, 2018


Chairman Bean


Vice Chairman Ross


Board Member Memory

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Board Member

Board Member Nosnik