

Fifth Board Member Policy

It shall be the Somerville Retirement Board's (SRB) policy to seek qualified applicants for the Fifth Member of the Board, to be chosen by the other four Board Members, for a three-year term in compliance with M.G.L. c. 32, §20(4)(b) and M.G.L. c. 32, §23(3). The five-Member Board acts as fiduciaries of the Somerville Retirement System (System) and performs their duties solely in the interest of its members and beneficiaries. The Fifth Member, as well as all Board Members, is required to:

- File an Annual Statement of Financial Interest with PERAC detailing personal assets
- Complete 268A Term Pledge statement acknowledging the member is aware of and will comply with standards set forth in Chapter 268A, Chapter 32 and rules and regulations promulgated under Chapter 32
- Attend meetings, seminars and educational training as necessary
- Complete 18 hours of training during the three years of their term in order to maintain eligibility to serve on the Board. A minimum of three credits of training must be earned annually.

Applicants for the Fifth Member position shall not be an employee, retiree, or official of either the City of Somerville or the Somerville Housing Authority. Notwithstanding the foregoing, this provision shall not apply to a vendor, contractor or retirement board employee who first became a member of a retirement board on or before April 2, 2012. An employee of a retirement board may serve as the Fifth Member on a retirement board other than the retirement board by which the person is employed.

Every Fifth Member applicant must affirm under the penalties of perjury that by becoming the Fifth Member, the provisions of 840 CMR 1.03 have not been violated.

In the event the Fifth Member's term is expiring, and the Fifth Member expresses in writing his/her desire to continue serving as the Fifth Member, and a majority of the other four Board Members wish to have the Fifth Member be appointed for another term, the Board need not advertise and/or seek alternative applicants for the Fifth Member position.

Otherwise, at least thirty (30) days before the expiration of the term of office of the Fifth Member, the Board shall solicit letters of interest and resumes for the position of Fifth Member through a public posting/announcement. Upon receipt of resumes, the Board shall review all resumes submitted and determine if any are deemed qualified candidates as defined below. The Board will provide each candidate deemed qualified with an equal opportunity to appear before the Board for an interview. The qualified candidate's interview performance may be considered by the Board in its consideration of each candidacy. If the

Board is unable to reach a majority decision, the process reverts to the requirements of M.G.L. c. 32, §20(4)(b).

In the event the position of the fifth member of the Board becomes vacant for any reason other than by expiration of the term of office, the Board shall immediately post the opening through a public posting/announcement and shall follow the process set forth above.

The Board prefers a qualified candidate have a bachelor's degree from an accredited college and shall meet at least one of the following criteria:

- An individual that has previously served or currently serves as a Board Member on a M.G.L. c. 32 Retirement Board.
- An individual that has previously or currently worked in a M.G.L. c.32 Retirement community.
- An individual that has at least three years of M.G.L. c.32 expertise, experience and knowledge as demonstrated through previous and/or current legal, investment, actuarial, accounting, or administrative service for a M.G.L. c. 32 retirement system.
- An individual that has served on a board, committee, commission, or similar body of a city or town, including but not limited to select boards, planning commissions, finance committees, school committees, and zoning boards.
- An individual that has experience, expertise and knowledge as demonstrated through previous and/or current financial, legal, investment, actuarial or accounting.

Board Voted 5/29/2025; Approved & Adopted.

Menu



Mass.gov

Search Mass.gov

SEARCH

(/) > Public Employee Retirement Administration Commission (/orgs/public-employee-retirement-administration-commission) > ... > PERAC Me

MEMORANDUM

#28: Selection of Fifth Member and Board Employees

DATE: 09/01/2017

REFERENCED SOURCES: [PERAC Website \(/orgs/public-employee-retirement-administration-commission\)](/orgs/public-employee-retirement-administration-commission)

PERAC Memo #28, 2017

To All Retirement Boards:

TO: All Retirement Boards

FROM: Joseph E. Connarton, Executive Director

RE: Selection of Fifth Member and Board Employees

DATE: September 1, 2017

The purpose of this memorandum is to remind retirement boards of their fiduciary obligations relative to the selection of the board's Fifth member, and the hiring of board employees. This memorandum is meant to complement Memorandum #14 of 2009, which focused on the statutory requirement that the Fifth member shall be chosen by the other four members.

As you know, all duties and responsibilities of a retirement board, including the selection of the Fifth member and the hiring of board employees, must be discharged in compliance with the board

member's **fiduciary duties** set forth in Chapter 32, section 23(3) and enumerated in PERAC Regulation 840 CMR 1.01 and provides as follows:

840 CMR 1.01

Board Member's Duty

A board member shall discharge all of his/her duties solely in the interest of members and their beneficiaries, and

(1) For the exclusive purpose of:

(a) Providing benefits to members and their beneficiaries; and

(b) Defraying reasonable expenses of administering the system.

(2) With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

(3) By diversifying the investments of the system so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

(4) In accordance with the Massachusetts General Laws, the rules and regulations promulgated by the Commission, and rules and regulations adopted by the board and approved by the Commission.

The selection of the Fifth member is a duty owed to the board's members and beneficiaries and every effort should be made towards an open, competitive process. Pursuant to this duty and G.L. Chapter 32, sections 20(4) and 23(3), the board should actively solicit resumes of interested candidates through a public posting/announcement. (The selection of the Fifth member [seventh member in the case of the Teachers' Retirement System] is outlined in different statutes for different boards; however, in each case the **fiduciary obligations** of the other board members remain the same.) This period should be followed by a documented review process and interviews of interested candidates. The board's process should be documented in a written policy and followed every three years, regardless of whether the incumbent Fifth member is seeking reappointment. Finally, a board should not abdicate its authority to the board of selectman, mayor or city manager by simply opposing a candidate(s) in order to force a tiebreaking selection; this is a board function and every effort should be made to perform its fiduciary duty. Only in the event that the board can't ultimately agree on a new Fifth member should the process move forward pursuant to the statute.

Similarly, board employees should be selected through an open, competitive process. Positions should be advertised and a review and interview process documented and followed. It is certainly appropriate to provide opportunities to existing staff but this should be done in the context of an open, competitive process. This process is separate and distinct from the statutory process outlined in Chapter 32, section 23B for the procurement of investment, actuarial, legal and accounting services; however, the principles of section 23B procurement are consistent with the fiduciary duty relative to the Fifth member and board employees.

Ch. 32, Section 20(4)(b)

b) Each such city or town system shall be managed by a retirement board which shall have the general powers and duties set forth in subdivision (5). Such board shall consist of five members and shall be chosen in the following manner, except as provided in paragraph (c), the city auditor or town accountant or other officer having similar powers and duties who shall be a member ex officio, a second member appointed by the board of selectmen in a town, the mayor in a city, the city manager in a city having a Plan D or Plan E form of government, a third and fourth member who shall be elected by the members in or retired from service of such system from among their number in such manner and for such term, not exceeding three years, as the mayor in a city or the board of selectmen in a town shall determine, and a fifth member who shall not be an employee, a retiree, or official of the governmental unit and shall be chosen by the other four for a term of three years. If the fifth member is not chosen by the other four members within thirty days after the expiration of the term of the fifth member, said member shall be appointed in a city by the mayor, subject to confirmation by the city council, or in a town by the board of selectmen. Future elections of the third and fourth members shall be held under the supervision of such retirement board and the term of the third and fourth member shall be so arranged as not to expire in the year of expiration of the term of the fifth member.