

## **Somerville Retirement Board Meeting March 26, 2015**

The Regular Meeting of the Somerville Contributory Retirement Board duly posted to be held in the Aldermanic Chambers at City Hall, 2<sup>nd</sup> Floor, 93 Highland Ave., Somerville, MA on the above date was called to order at 9:09 AM by Vice Chairman Bean with Board Members Ross, Memory and Faison. Also in attendance were Executive Director Michael Pasquariello, Matthew Buckley, Frank Sposato and Stephanie Van Hengel.

### **New Business:**

1. Frank Sposato and Stephanie Van Hengel from Lazard Asset Mangement presented their portfolio update and review. A copy of the report is maintained in the Retirement Office.
  
2. On a motion duly made and seconded it was **VOTED** by the Board to approve the Special meeting of March 6, 2015 and the Regular and Executive Session minutes of the February 26, 2015 meetings and sign them into record.
  
3. On a motion duly made and seconded it was **VOTED** by the Board to issue payment and authorize the corresponding wire transfer for **Cash Disbursement Vendor Expense Warrant** # 3-2015 (copy attached).
  
4. On a motion duly made and seconded it was **VOTED** by the Board to accept and process the following received Applications for **Withdrawal** of Accumulated Total Deductions for:
  - James Beaton. The total Refund amount is \$24,481.98.
  - Andrea Bellomo. The total Rollover amount is \$4,368.24.
  - Richard Libardoni. The total Rollover amount is \$29,552.61.
  - Elisa B. Meredith. The total Rollover amount is \$1,120.90.
  
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 Massport Retirement Board to **transfer** the account of Hayes Morrison.
  - Received from the Everett Retirement Board to **transfer** the account of Gino Chiaravalloti.
  - Received from the MA Teachers' Retirement Board to **transfer** the account of Lauren Rosenbaum.
  
6. 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** # 3-2015 in the amount of \$2,002,196.73 for March 2015.
  
7. Reviewed and discussed the January 2015 Trial Balance, Cash Receipts, Cash Disbursements and Adjustments Reports.

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8. The following (school) new hire has not completed their statement of record - Membership Application: Lena M. Marecki.

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 list above.

9. 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 # 7489, Sean Layton, Group 4. Certificate # 7943, Sandy Romero, Group 1. Certificate # 7962, Melissa Bento, Group 1. Certificate # 7963, Molly Clifford, Group 1. Certificate # 7974, Alexandra Oshinsky, Group 1. Certificate # 7996, Ruth Santos, Group 1. Certificate # 8000, Stephanie Smith, Group 1. Certificate # 8004, Cheryl Delafano, Group 1. Certificate # 8002, Christian Kulikoski, Group 1. Certificate # 8011, Huong Dang, Group 1. Certificate # 8012, Dan Martin, Group 1. Certificate # 8015, Douglas Henry, Group 4. Certificate # 8016, Ryan Layton, Group 4. Certificate # 8018, Hallam Massiah, Group 4. Certificate # 8019, Paul Savage, Group 4. Certificate # 8020, Robert Whelan, Group 4.

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

- Maryann Ryan, effective 12/31/2014.
- Leo Karapetian, effective 1/6/2015.
- Russell Campbell, effective 1/23/2015.
- Walter Mannix, effective 1/15/2015.
- Francis Willey, effective 1/29/2015.

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

- Maria Sciarappa, effective 5/1/2015.
- Denise Grosse, effective 3/12/2015.
- Robert Ankenbauer, effective 3/17/2015.
- James Rooney, effective 3/31/2015.
- Teresa Gaudet, effective 6/27/2015.
- Bruce Campbell, effective 4/1/2015.

12. Received **Buyback** calculation **requests** from:

Michael Glavin, a current Member of the Somerville Retirement System, to buy-back 4 years and 5 months of non-member Chelsea service time in the Community Development Department. Upon proper make-up payment of \$34,425.01 to the Somerville Retirement Board, the Chelsea Retirement Board has formally accepted liability for 4 years and 5 months of creditable service.

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Christian Kulikoski, a current Member of the Somerville Retirement System, to buyback Military Service time. Upon proper make-up payment of \$26,000.00 to the Somerville Retirement Board the Somerville Retirement Board will accept liability for 4 years of creditable service.

On a motion duly made and seconded it was **VOTED** by the Board to approve and process the above Buyback requests.

13. Supplemental Regulation, Non-Member Creditable Service Liability. On a motion duly made and seconded it was **VOTED** by the Board to approve the Supplemental Regulation. The Executive Director will submit the Supplemental Regulation to PERAC.

14. Reviewed and discussed the 1/2014 Actuarial Valuation preliminary results. The Board would like to request additional information schedules, 2.5%, 2.75 & 3% COLA for both \$12,000 and \$13,000 COLA Base reflecting funded ratio %, unfunded liability & appropriation \$ amount by year, from actuary Dan Sherman

15. Received request for Section 101 benefits from the survivor/spouse of deceased accidental disability retiree Thomas J. Whelan (1981, option B). On a motion duly made and seconded it was **VOTED** by the Board to approve Section 101 benefits for survivor/spouse Sigrid Whelan.

Received from PERAC the following Memoranda:

Memo # 8/2015            (Remarriage Penalty)

The following retirees recently passed away:

Thomas Taylor, on 3/1/2015.	Option C, Survivor/spouse benefits continue.
Ellen Gray, on 2/25/2015.	Option B, benefits cease; 1 time pmt. to beneficiary.
Mildred Johnston, on 1/1/2015.	Option C survivor, benefits cease.
Alberta Kinsley, on 2/19/2015.	Option C survivor, benefits cease.
Edwin Mallard, on 2/28/2015.	Option A, benefits cease.
Mary Palmacci, on 12/15/2014.	Sect 101 survivor, benefits cease.
Gertrude O'Connell, on 3/15/2015.	Option B, negative annuity, benefits cease.

**Old Business:**

Discussed the vacant **5<sup>th</sup> Board Member** position candidates. Board Member Ross made a motion to nominate candidate Valeri, which was seconded by Board Member Memory. A roll call vote was taken for candidate Valeri: Board Member Ross Yes, Board Member Memory Yes, Board Member Bean No, Board Member Faison No. Vice Chairman Bean made a motion to nominate candidate Massie, which was seconded by Board Member Faison. A roll call vote was taken for candidate Massie: Board Member Ross No, Board Member Memory No, Board Member Bean Yes, Board Member Faison Yes.

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Board Member Memory made a motion to nominate candidate Cook, there was no second.

Board Member Ross made a motion to nominate candidate Smyth, which was seconded by Board Member Memory. A roll call vote was taken for candidate Smyth: Board Member Ross Yes, Board Member Memory Yes, Board Member Bean No, Board Member Faison No.

On a motion duly made and seconded it was **VOTED** by the Board to table this item and reconvene at a meeting next week.

Update the May 5, 2014 **Comerica** letter received regarding Globe Tax foreign withholding tax recoveries. On 1/14/15 the Director returned (mail & e-mail) the completed and executed forms to Dan Berd at Comerica. Waiting for the IRS to issue form 6166 to Comerica.

Update & discuss **Cypress Asset Management**. Cypress Asset Management was hired during 3/2006. 4/2011 the Board 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. Attorney Matthew Buckley finalized and coordinated an executed rescission agreement. On 12/10/14 Dan Berd at Comerica confirmed receipt of the securities transferred from Mr. Urpi to Comerica for our Congress Asset management Account. On 12/9/14 we received the 1<sup>st</sup> installment check (of 3) in the amount of \$32,741.06. The 2<sup>nd</sup> and 3<sup>rd</sup> installments are due 2/26/15 & 5/26/14. The 2<sup>nd</sup> installment payment was received on 3/16/15.

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 12/19/14 CRAB affirmed the DALA decision. During 1-2015 Mr. Timmins appealed the CRAB decision to Superior Court (Section 14 complaint). Matt Buckley filed a formal defense response to Superior Court.

John Buonomo: Attorney Matthew Buckley was in Lowell District Court on 11/19/2014. The Court entered judgment upholding the forfeiture and ordered restitution. The Court mailed Matt Buckley the restitution order/judgment. Matt Buckley will also speak with court in regards to the Board receiving payment from Mr. Buonomo while he pays his fine to the State. Matt Buckley found out that Mr. Buonomo is unemployed and has stopped making monthly payments the State for his fine. Matt Buckley will follow up with his Probation Officer to check on this current status.

Retiree William T. Babcock, deceased 11/23/2013 received \$3,120.84 from 11/2013-10/31/2014. The Board received an executed and notarized affidavit 7/2014. Mr. Babcock was removed from the 11/2014 payroll. A letter to (granddaughter) Lisa Barchard, power of attorney, requesting the return of the \$3,120.84 was mailed on November 7, 2014.

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Detective McDaid filed a criminal complaint in District Court to summons Ms. Barchard. Lisa Barchard was arraigned and has a pre-trial hearing scheduled for 4/7/15. Matt Buckley will meet with Assistant District Attorney, Ryan Rall, on 4/6/15 to present all of the evidence.

Continued discussing the **Fossil Free Somerville** divestment presentation. The Board will continue to research and gather information regarding the effect of fossil fuel divestment on the investment portfolio and MA general laws chapter 32 and related regulations. On 2/12/15 the Director formally asked PERAC if they would approve an RFP for a fossil free equity or bond investment or for an investment consultant to assist with a fossil fuel divestment. On 3/11/15 Board Members Memory and Bean along with the Director met with PERAC Compliance Officer Tom O'Donnell, Cheryl Johnson, attorney Derek Moitoso and Joseph Martin at PERAC, discussing divestment, fiduciary standards and RFP's. PERAC stated that they will formally respond to the 2/12/15 written request of the Board. Currently waiting for the formal response from PERAC.

On a motion duly made and seconded it was **VOTED** by the Board to request a medical panel for John Memory. (Board Member Memory recused himself from the vote).

On a motion duly made and seconded it was **VOTED** by the Board to request a medical panel for Stephen Shea.

At 11:08 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.

**ROLL CALL VOTE to ENTER EXECUTIVE SESSION:**

Edward Bean	YES
John Memory	YES
Thomas Ross	YES
Austin Faison	YES

On a motion duly made and seconded it was **VOTED** by **ROLL CALL** to **END** Executive Session at 11:20 AM and **RETURN** to Open Session.

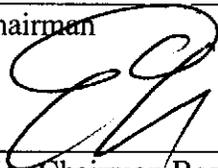
**ROLL CALL VOTE to END EXECUTIVE SESSION:**

Edward Bean	YES
John Memory	YES
Thomas Ross	YES
Austin Faison	YES

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On a motion duly made and seconded it was **VOTED** to adjourn the meeting at 11:24 AM.

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Chairman



*Thomas Ross*  
\_\_\_\_\_  
Board Member Ross

\_\_\_\_\_  
Vice Chairman Bean

*John Memory*  
\_\_\_\_\_  
Board Member Memory

*[Signature]*  
\_\_\_\_\_  
Board Member Faison