

**Somerville Retirement Board Meeting
March 28, 2014**

The Regular Meeting of the Somerville Contributory Retirement Board duly posted to be held in the Conference Room at the City Hall Annex, 50 Evergreen Ave., Somerville, MA on the above date was called to order at 8:31 AM by Chairman Rourke with Board Members Bean (until 10:50), Ross (until 9:50), Memory and Faison. Also in attendance were Executive Director Michael Pasquariello, Paul Shanley, Wayne Owen and Julie Lind.

New Business:

1. Wayne Owen and Julie Lind from Rhumblin presented an annual update and review. A copy of the presentation is maintained in the Retirement Board office files. The Board requested information regarding fossil fuel divestment impact on the rate of return of the portfolio. Julie Lind will forward information for the MSCI ESG Research "Investment Strategies for Reducing Fossil Fuel Exposure" webinar.

2. Paul Shanley from Amity Insurance Agency, Inc. provided a Fiduciary Liability Insurance presentation and review of quotes obtained. On a motion duly made and seconded it was **VOTED** by the Board to request premium quotes for \$2m and \$3m of Fiduciary Insurance coverage.

3. Review and discuss the annual retiree Cost of Living Adjustment (COLA). After discussions, on a motion duly made and seconded it was **VOTED** by the Board to approve a 2.5% COLA effective July 1, 2014. The Executive Director will notify PERAC.

4. On a motion duly made and seconded it was **VOTED** by the Board to approve the Regular and Executive Session minutes of the regular February 20, 2014 and the February 27, 2014 Investment Sub Committee meeting and the sign them into record.

5. On a motion duly made and seconded it was unanimously **VOTED** by the Board to issue payment and authorize the corresponding wire transfer for **Vendor Expense Warrant # 3**, which includes the following invoices:

Harpers Payroll	\$945.10	Amity Insurance	\$85.00
Quill	\$67.22	Arlington Retirement	\$20,101.97
NBM	\$490.00	MA Teachers'	\$177,988.74
Winchester Ret.	\$1,984.41	MWRA (replace Feb void)	\$12,735.78
Pitney Bowes	\$38.97	Framingham Retirement	\$31,707.96
Essex Retirement	\$943.01		

6. On a motion duly made and seconded it was unanimously **VOTED** by the Board to accept and process the following received Applications for **Withdrawal** of Accumulated Total Deductions for:

- Abdullahi Magan. The total (supplemental) Refund/Withdrawal amount is \$93.14.
- William Kelson. The total Refund/Withdrawal amount is \$1,671.30.

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7. On a motion duly made and seconded it was unanimously **VOTED** by the Board to issue payment and authorize the corresponding wire transfer for monthly **Retiree Payroll Warrant # 3A** for March 2014.

8. Accidental Disability Retiree Vincent McLaughlin's **2012 overearnings**. Mr. McLaughlin had a hearing at the December 17, 2013 Board meeting and subsequently formally requested further clarification from PERAC Legal Department on December 19, 2013. On January 24, 2014 PERAC formally responded to Mr. McLaughlin requesting the Somerville Retirement Board to recover the excess earnings. At the February 20, 2014 meeting the Board voted to recover the \$23,897.87 excess earnings liability in accordance with the 1/24/2014 PERAC letter. On a motion duly made and seconded it was **VOTED** by the Board to send a letter to Mr. McLaughlin informing him that the Board would be reducing his monthly retirement allowance by \$2,000.00, effective with the April 2014 payroll in order to recover the \$23,897.87 over 12 months.

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

-Jaan Warner Terry. Upon proper make-up payment of \$1,071.64 to the Somerville Retirement Board, the MA State Retirement Board will accept liability for 2 months of creditable service.

-Paula Mello, a current Member of the Somerville Retirement Board, to buyback Somerville non-Membership service. Upon proper payment of \$5,299.99 to the Somerville Retirement Board, the Somerville Retirement Board would accept liability for 2 years and 8 months of creditable service.

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

10. On a motion duly made and seconded it was unanimously **VOTED** by the Board to sign the **following certificates** and include them for Membership in the Somerville Retirement System:

Certificate # 7736, Marco Osoy, Group 1. Certificate # 7762, Steven Roi, Group 1.
Certificate # 7798, Adriana Fernandes, Group 1. Certificate # 7796, Joelle Martin, Group 1.
Certificate # 7806, Joseph Capuano, Group 1. Certificate # 7813, Chris Fitzpatrick, Group 1.
Certificate # 7836, Deborah Doyle, Group 1. Certificate # 7841, Torrey Slack, Group 1.
Certificate # 7852, Lauren Abruzzio, Group 1. Certificate # 7856, Kim Moss, Group 1.
Certificate # 7860, Ana Price, Group 1. Certificate # 7864, Laura Pitone, Group 1.
Certificate # 7858, Clio Rourke, Group 1.

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11. The following new hires have not completed their statement of record - Membership Application:

Molly Sardella	Zeidy Hernandez-Sandoval
Nicole Gonsalves-DeLoach	Benjamin DeWart
Lisa Hodorawis	Erika DaSilva
Patricia Abreau	Nancy Orelie
Jamie Michael	

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.

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

- Gerald Reardon, effective March 8, 2014.
- Maureen Monagle, effective March 19, 2014.
- Rosemary Ryan, effective, June 29, 2014.

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

13. PERAC has approved the following previously Board approved new retirees:

- David Bolger, effective January 6, 2014.
- Gaetana Cataldo, effective December 31, 2013.
- Robert Kelleher, effective January 10, 2014.
- John T. O'Connor, effective January 3, 2014.
- Nicholas Stiles, effective January 10, 2014.
- Peter Stone, effective August 20, 2013.
- Helen Hussey-Mahoney, effective January 31, 2014.
- Joseph Bryan, effective December 28, 2013.

14. Continue review and discuss Vacation Buyback PERAC Memo # 39-2012. In accordance with guidance from PERAC General Counsel John Parsons, the 17.33 additional days off per the Police contract for the 5-2 scheduled Police Officers are not considered regular compensation based on "payment for services performed" or character of the work. Moreover, these additional days off are lost if not used (balance cannot be carried at year end), not paid out if they leave and these days are above and beyond vacation. Unlike vacation days, they do not get paid for them when they leave, which is an important component of vacation days being qualified in Memo 39-2012. Therefore, the 17.33 "additional days off" do not possess the characteristics of vacation days and are not applicable to Memo 39-2012 and are not regular compensation. Retirement deductions should continue to NOT be deducted from these 5 paid out days. On a motion duly made and seconded it was unanimously **VOTED** by the Board to draft a

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supplemental regulation regarding the 5-2 scheduled Police Officers and the 17.33 additional days off per the Police contract.

15. The Executive Director requested approval to be reimbursed for 16 hours of Continuing Education courses with a total cost of \$129.00. A copy of the course descriptions and paid invoice is provided. On a motion duly made and seconded it was unanimously **VOTED** by the Board to approve the reimbursement to the Executive Director.

16. On Thursday afternoon, February 27, 2014 the Board received a copy of the PERAC 2012 Audit Report. Review and discuss the draft report and also the draft written response to PERAC. A written response is due back to PERAC by 4/9/2014. On a motion duly made and seconded it was **VOTED** by the Board to approve the audit report responses and submit them to PERAC.

17. Continue discussing the Fossil Fuel Divestment presentation from February 27, 2014. The Board will continue to research and gather information regarding the effect of fossil fuel divestment on the investment portfolio. On a motion duly made and seconded it was **VOTED** by the Board to write a letter to each Investment Manager requesting each Manager to provide, to the Board, guidance and information regarding the financial impact of divesting fossil fuel holdings from the portfolio.

18. Based on observations on Thursday afternoons from 4:30 PM through 7:30 PM, I recommend changing the Retirement Board Office hours to Monday through Friday 8:30 AM to 4:30 PM. There is very minimal in person traffic and telephone calls received on Thursday evenings. The revised hours will be more beneficial. The revised hours will provide the Members working City Hall hours (Friday afternoons off) the ability to visit the Retirement Office in person, increase the staffing level on Friday afternoons, and also provide consistent business-like hours and coverage. On a motion duly made and seconded it was **VOTED** by the Board to change the Retirement Board office hours to Monday through Friday 8:30 AM to 4:30 PM and have the Executive Director inform the Personnel Department.

19. Member in service, Winsfield Polidor, **deceased 1/27/2014**, surviving spouse and beneficiary, Adeline Polidor, is eligible for survivor benefits under Section 12 (2)(d). On a motion duly made and seconded it was unanimously **VOTED** by the Board to approve the survivor benefits under Section 12 (2)(d).

20. The Somerville Contributory Retirement Board is in receipt of executed Special Legislation H 3654, Chapter 180, for City of Somerville Police Officer Mario Oliveira from the Commonwealth of Massachusetts. The Executive Director will follow the law and implement required actions. No vote(s) were taken.

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Conference Travel:

Discuss the NCPERS Conference in Chicago, IL April 27, 2014. Somerville is not currently a member of NCPERS. Membership dues (\$250.) and conference fees for NCPERS were not budgeted in 2014. The Executive Director will research and find the cost of the conference. On a motion duly made and seconded it was **VOTED** by the Board that no one would attend the 2014 NCPERS conference.

Stephen Shea Involuntary Accidental Disability Application:

DPW issued an Involuntary Accidental Disability Application on 3/6/14, with the incorrect social security number. Mr. Shea requested a hearing on 3/11/14 based on the incorrect Application. On 3/19/14 the DPW issued a new Application with the correct social security number. The Executive Director will obtain a copy of the most recent medical note and inquire if his job description has changed.

Received from PERAC the following Memorandums:

Memo # 11/2014 (Ethics Training)

Memo # 12/2014 (New Board Member Informational CD)

The following retirees recently passed away:

Lawrence F. Mahoney on 3/15/14 Option C, surviving spouse benefits continue.

Old Business:

Attorney Matt Buckley was at the MA SJC on January 9, 2014 regarding Superannuation retiree John Buonomo. A ruling/decision is not expected for at least a few months.

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.

Status update on any disability applications.

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On a motion duly made and seconded it was **VOTED** to adjourn the meeting at 10:55 AM.

Chairman Rourke

Thomas Ross

Board Member Ross

Vice Chairman Bean

Jul Memory

Board Member Memory

[Signature]

Board Member Faison