

## **Somerville Retirement Board Meeting August 18, 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 9:18 AM by Vice Chairman Bean with Board Members Memory, Ross, Nosnik and Massie. Also in attendance was Executive Director Michael Pasquariello.

### **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 July 21, 2015 meetings 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** requests:  
- From the State Retirement Board to **transfer** the account of Thomas Pasquarello in the amount of \$63,375.05.

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 Warrants** # 8-2015.

4. 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** # 8-2015 in the amount of \$2,101,875.90 for August 2015.

5. Reviewed and discussed the June 2015 Trial Balance, Cash Receipts, Cash Disbursements, Adjustments Reports and the 3 Bank Account Reconciliations.

6. 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 # 8009, Andrew Barlow, Group 1. Certificate # 8050, Tom Callanan, Group 2. Certificate # 8049, Jennifer Carvalho, Group 1. Certificate # 8038, Chris Fusco, Group 4. Certificate # 8039, Orlando Jacquet, Group 4. Certificate # 8040, Frandiane Prophets, Group 4.

7. PERAC has approved the following previously Board approved new Retirees:

- Jay Weaver, effective 7/25/2015.
- Dennis Mack, effective 7/5/2015.
- Robert Wilker, effective 7/5/2015.
- Teresa Gaudet, effective 6/29/2015.
- Valerie Donovan, effective 6/29/2015.
- Frances Borsini, spouse of deceased retiree Edward, effective 5/30/15 (Sect. 101).

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8. Received **Superannuation Retirement Applications** from:  
Julie Davenport, effective 10/1/2015.

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

9. Received **Buyback/Re-Deposit** calculation requests from:

- Betsy Allen, a current Member of the Somerville Retirement System, to re-deposit/buy-back 4 years and 5 months creditable service with the State Retirement Board. Upon proper make-up payment of \$41,226.60 to the Somerville Retirement Board, the State Retirement Board will accept liability for 4 years and 5 months of creditable service.

-Scott M. Baker, a current Member of the State Retirement System, to re-deposit/buy-back 2 years and 7 months creditable service with the Somerville Retirement System (Library). Upon proper make-up payment to the State Retirement Board, the Somerville Retirement Board will accept liability for 2 years and 7 months of creditable service.

-Cathy Hoog, a current Member of the Essex Retirement System, to re-deposit/buy-back 5 years and 7 months creditable service with the Somerville Retirement System (Housing Authority). Upon proper make-up payment to the Essex Retirement Board, the Somerville Retirement Board will accept liability for 5 years and 7 months of creditable service.

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

10. Reviewed and discussed Procurement Internal Control/Policy and Procedure # 7. On a motion duly made and seconded it was **VOTED** by the Board to approve the Procurement internal control procedure (# 7).

11. Discussed the Election Officer for the 12/1/2015 election. On a motion duly made and seconded it was **VOTED** by the Board to appoint the Executive Director, Michael Pasquariello, as the Election Officer for the 12/1/2015 election.

12. Discussed and reviewed the Q2 2015 Budget vs Actual Report. The Executive Director will post a copy on the website.

13. Review and discuss the draft Legal RFP. On a motion duly made and seconded it was **VOTED** by the Board to approve the Legal RFP and issue it during September.

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14. On 8/4/2015 received a list from PERAC of 3 accidental disability retirees that are not in compliance with Section 91A (Earned Income Reporting for 2014). PERAC has mailed them termination letters. The Executive Director also sent a notification via certified mail on 8/11/2015 and follow-up telephone calls have been made in order to reach compliance. One retiree has become in compliance. On a motion duly made and seconded it was **VOTED** by the Board to table this item.

15. The MACRS Fall conference is in Springfield from October 4 – 7<sup>th</sup> at the Sheraton Springfield. The cost of the conference is \$270.00 per person plus hotel accommodations of approximately \$175.00 per room, per night. The 2015 budget reflects 2 attendees to this conference. On a motion duly made and seconded it was **VOTED** by the Board to approve the attendance of Tony Ferrelli and Board Member Ross.

Received from PERAC the following Memoranda:

Memo # 16/2015 (COLA – Dependent Allowance)  
Memo # 17/2015 (Reinstatement to Service)  
Memo # 18/2015 (Section 54 of Ch 46 of Acts of 2015)

The following retirees recently passed away:

Benedict Viola, on 7/20/2015. Option C, spouse to receive 2/3 benefits.  
Dorothy Scully, on 7/21/2015. Section 9, benefits cease.  
Raymond Levesque, on 7/26/2015 Option B, refund annuity balance, benefits cease.  
John Nugent, on 7/30/2015. Option C, spouse to receive 2/3 benefits.  
Gloria MacInnes, on 8/9/2015. Option B, negative annuity balance, benefits cease.

**Old Business:**

**Comerica:** foreign withholding tax recoveries. The IRS has issued Form 6166 to Comerica. \$10,201.95 was received on 7/9/2015 related to (ADR) Novo Nordisk Denmark tax reclaim.

**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. Detective McDaid filed a criminal complaint in District Court to summons Lisa. Barchard. Lisa Barchard was arraigned and

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had a pre-trial hearing on 4/7/15. Matt Buckley met with Assistant District Attorney, Ryan Rall, on 4/6/15 and presented all of the evidence to him. The attorney for Lisa Barchard received a hearing continuance to 5/8/2015. Matt Buckley was unable to attend the 5/8/15 hearing. A compliance and election hearing was scheduled for 7/28/2015. Matt Buckley could not attend and will obtain the outcome and results from the hearing.

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. The formal response from PERAC was received on 6/18/2015, discussing fiduciary standards, prudent investment regulations in 840 CMR 1.01 and the absence of a statute imposing such a restriction (fossil free RFP) the Commission is unable to post such an RFP. The Director prepared a current Statement to issue to the press. On a motion duly made and seconded it was **VOTED** by the Board to issue the statement. House Bill # 2372, filed 1/15/2015, has been referred to the Joint Committee on Public Service.

Review and discuss the possibility of procuring the services of a **Portfolio Monitoring** firm. The Executive Director confirmed with PERAC that an Investment RFP would have to be issued and that PERAC does NOT maintain an approved list of firms. On a motion duly made and seconded it was **VOTED** by the Board to table this item.

At 10:34 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
Robert Massie	YES
Alex Nosnik	YES

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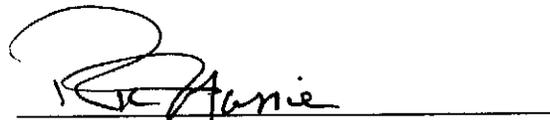
On a motion duly made and seconded it was **VOTED** by **ROLL CALL** to **END** Executive Session at 10:39 AM and **RETURN** to Open Session.

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

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

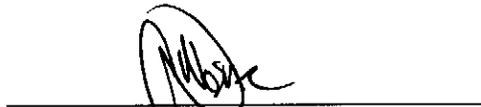
On a motion duly made and seconded it was **VOTED** by the Board to adjourn the meeting at 10:40 AM.

  
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Vice Chairman Bean

  
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Board Member Massie

  
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Board Member Ross

  
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Board Member Memory

  
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Board Member Nosnik