

Somerville Retirement Board Meeting April 29, 2014

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 Ave., Somerville, MA on the above date was called to order at 8:31 AM by Vice Chairman Bean with Board Members Ross, Memory and Faison. Chairman Rourke was absent. Also in attendance were Executive Director Michael Pasquariello, Matt Buckley and Christopher Lazzaro.

New Business:

Stephen Shea Involuntary Accidental Disability Application:

The 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 his correct social security number. On 3/31/2014 Mr. Shea formally requested a hearing. The Executive Director obtained a copy of the accident report, medical records and most recent medical note and confirmed with the DPW and Renee Mello in the Personnel Department that his job description has not changed. The hearing was scheduled for April 29, 2014 at 8:30 AM. On 4/28/14 Mr. Shea formally requested to reschedule the hearing due to his attorney's unavailability. The item was tabled. The Executive Director will find out when Mr. Shea's appointment is to receive injections in his right shoulder, communicate with the Personnel Department and coordinate rescheduling the hearing.

1. Christopher Lazzaro from Loomis, Sayles & Company presented an annual update and review. A copy of the presentation is maintained in the Retirement Board office files.
2. On a motion duly made and seconded it was **VOTED** by the Board to approve the Regular Session minutes of the March 28, 2014 meeting and sign them into record.
3. The MACRS Conference in Hyannis is June 1 through June 4, 2014. The cost of the conference is \$270.00 per person. Hotel accommodations for the 3 nights will be approximately \$519.45 per room. The 2014 Budget reflects 2 attendees for this conference. Board Members Bean and Memory may attend some of the conference but will not stay overnight at the hotel. On a motion duly made and seconded it was **VOTED** by the Board to approve the Executive Director and Board Member Faison to attend the conference. During the discussion a motion duly made and seconded it was **VOTED** by the Board to approve to include NCPERS membership dues in the 2015 budget.
4. 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 # 4, which includes the following invoices:

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Harpers Payroll	\$953.65	Tony Ferrelli	\$47.36
Quill	\$74.03	Middlesex Retirement	\$20,502.92
Michael Pasquariello	\$6.49	Newburyport Retirement	\$6,310.83
Poland Springs	\$2.59	Somerville High School	\$60.00
Rhumblin	\$2,500.00	Office Depot	\$108.76

5. 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:

- Andrew Vilaine. The total Refund/Withdrawal amount is \$4,373.14,
- Darren M. Costa. The total Rollover amount is \$13,846.09,

6. In accordance with Special Legislation H 3654, Chapter 180, Mario Oliveira received his lump sum payment from the Somerville Retirement Board equal to his total accumulated retirement deductions in the gross amount of \$90,249.99.

7. On a motion duly made and seconded it was **VOTED** by the Board to process the following received account **transfer** requests:

- Received from the MA Teachers' Retirement Board to **transfer** the account of Joy A. Gentry.
- Received from the Weymouth Retirement Board to **transfer** the account of Owen J. MacDonald.
- Received from the Worcester Regional Retirement Board to **transfer** the account of Douglas Willardson.

8. 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** # 4A for April 2014.

9. 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 April 2, 2014 the Board sent 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. As of April 29, 2014 Mr. McLaughlin did not formally respond. The Executive Director will send Mr. McLaughlin a letter informing him that Board will be reducing his monthly retirement allowance by \$2,000.00, effective with the May 2014 payroll in order to recover the \$23,897.87 over 12 months.

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

- Nadia Dixon, a current Member of the Somerville Retirement Board, to buyback Somerville non-Membership service. Upon proper make-up payment of \$6,228.26 to the Somerville Retirement Board, the Somerville Retirement Board will accept liability for 1 year and 7 months of creditable service.

- Carol Atherton, a current Member of the Somerville Retirement Board, to buyback Somerville non-Membership service. Upon proper make-up payment of \$4,700.83 to the Somerville Retirement Board, the Somerville Retirement Board will accept liability for 6 months of creditable service.

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

11. 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 # 7815, Shelby Hewitt, Group 1. Certificate # 7861, Janeen Mobilia, Group 1.
Certificate # 7862, Belia Ducasse, Group 1. Certificate #7867, George D'Amelio, Group 1.
Certificate # 7868, Alex Bob, Group 1. Certificate # 7869, Maureen Mills, Group 1.
Certificate # 7870, Alex Lessin, Group 1. Certificate # 7849, Joseph Moreira, Group 4.

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

Anita Rijal
Joanna A. Vasquez

Michael Richards
Zeidy Hernandwz-Sandoval

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.

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

- John J. Norton, Jr., effective April 26, 2014.
- Edward Barnard, effective April 20, 2014.
- Stephen Burgess, effective April 16, 2014.
- Francis Bates, effective May 26, 2014.

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

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

- Sandra Moriarty, effective December 31, 2013.
- Maria Cardoso, effective January 25, 2014.
- Anna Castle, effective January 31, 2014.

15. Discuss and review the draft Cash Receipts Policy and Procedure. On a motion duly made and seconded it was **VOTED** by the Board to approve the Cash Receipts Policy and Procedure.

16. Discuss the Cypress Asset Management letter received on April 23, 2014. The Executive Director forwarded a copy of the letter to Congress Asset Management. The Executive Director will review the Cypress statements, the general ledgers and the transactions in order to identify the assets and determine exactly what transpired.

Discuss scheduling the upcoming Board meetings.

Received from PERAC the following Memorandums:

Memo # 13/2014	(Q2 Board member Training)
Memo # 14/2014	(Investor Registration SEC)
Memo # 15/2014	(Tobacco Company list)
Memo # 16/2014	(Follow-up on Anti-Spiking Exemptions)

The following retirees recently passed away:

Jeannette Loan on 3/27/2014.	Option C survivor, benefits cease.
James MacInnes on 3/31/2014.	Section 12(2)(d) survivor, benefits cease.

Old Business:

Paul Shanley from Amity Insurance Agency, Inc. provided a Fiduciary Liability Insurance presentation and review of quotes obtained at the March meeting. The Board requested premium quotes for \$2m and \$3m of Fiduciary Insurance coverage. The Board reviewed and discussed the quotes. On a motion duly made and seconded it was **VOTED** by the Board to approve a Fiduciary Liability Insurance policy with coverage in the amount of \$5,000,000. and a \$50,000. rention/deductible.

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. A letter was mailed to each Investment Manager on 4/7/14 requesting each Manager to provide, to the Board, guidance and information regarding the financial impact of divesting fossil fuel holdings from the portfolio. Currently the Board has received a response from Congress Asset Management on 4/16/2014 and from Loomis, Sayles on 4/17/2014. The Board will continue its

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on-going research while waiting for the remaining Investment Manager responses. The Executive Director will follow up on the status of the outstanding requests with each Investment Manager.

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 disability applications. On a motion duly made and seconded it was **VOTED** by the Board to accept the Accidental Disability application of Leonard Saltman for consideration. The Board will review and perform due diligence on the application. The Executive Director and attorney Jason Grossfield will send a letter to Angela Koerber and her counsel regarding the status of her application and any missing documentation.

At 10:30 AM on a motion duly made and seconded it was **VOTED** by **ROLL CALL** to **ENTER** into Executive Session for the purpose of discussing legal strategy for the John Buonomo and Dorothy Winn/Lorraine Cushman matters.

ROLL CALL VOTE to ENTER EXECUTIVE SESSION:

John Rourke	
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 11:02 AM and **RETURN** to Open Session.

ROLL CALL VOTE to END EXECUTIVE SESSION:

John Rourke	
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** by the Board to send a letter to Mr. Buonomo ordering him to repay to the Somerville Retirement Board the total amount of retirement benefits received for the period January 21, 2010 through March 31, 2014 in the amount of \$138,426.72. The letter will also notify Mr. Buonomo that effective April 2, 2014 his retirement allowance has been terminated.

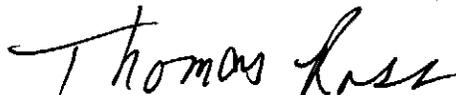
On a motion duly made and seconded it was **VOTED** to adjourn the meeting at 11:05 AM.

Chairman Rourke

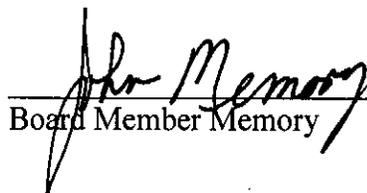


Vice Chairman Bean

Board Member Faison



Board Member Ross



Board Member Memory