

Minutes of the meeting held on April 11, 2016

Present: Francis Murphy – Chair, James Monagle, Michael Gardner, Nadia Chamblin-Foster, John Shinkwin, Ellen Philbin, Attorney James Quirk and Chris Burns.

The meeting was called to order at 5:10 PM. The meeting was digitally recorded.

Agenda Item #1 – Minutes

Motion by Chamblin-Foster, seconded by Shinkwin to accept the minutes of the investment review meeting held on March 3, 2016. Voted unanimously.

Motion by Shinkwin, seconded by Monagle to accept the regular minutes of the meeting held on March 7, 2016. Voted unanimously.

Motion by Gardner, seconded by Monagle to accept the executive session minutes of the meeting held on March 7, 2016. Voted unanimously.

Agenda #2- Warrant

Motion by Chamblin-Foster, seconded by Shinkwin to accept payment of warrant #6 in the amount of \$6,107,517.19 and Warrant #7 in the amount of \$289,594.66. Voted unanimously.

Agenda Item #3 – Superannuations

Motion by Gardner, seconded by Chamblin-Foster to accept the Superannuation retirement applications submitted by Constance Breece, Certified Nurse-Midwife, Cambridge Health Alliance with twenty-six years six months, Anthony G. Brincolo, Administration Coordinator I, Cambridge Health Alliance thirty-eight years six months, Alexander Colovos, Patrol Officer, Cambridge Police Department with thirty-one years eight months, Helder Duarte, Working Foreman, Cambridge Health Alliance with twenty-seven years, three months, Richard Frank, Inventory Control Specialist, Department of Public Works with twenty-one years four months, Robert Haas, Commissioner, Police Department with twenty-four years nine months, Michael Jalowick, Chief X-Ray Technician, Cambridge Health Alliance with twenty-one years eight months, Stephen Johnson, Program Coordinator, Dept. of Human Services with fourteen years, six months, Lydia Lemorin, Housekeeper, Cambridge Health Alliance with twenty-nine years, three months, Hyacinth Lovelock, Administrative Coordinator II, Cambridge Health Alliance with seventeen years three months, Patricia Nuzzola, Clinical Manger, Cambridge Health Alliance with seventeen years three months and William A. Wood, Lieutenant, Cambridge Fire Department with thirty two years. Voted unanimously.

Agenda Item #4 – Redeposits / Make up / Liability

The Board reviewed make-up and redeposit worksheets for ten members.

Motion by Gardner, seconded by Chamblin-Foster to allow the redeposit of refunds requested by Nicole M. Jean-Louis, One year eleven months, David J. O'Connor two years seven months, Sujita Thapa, three years eight months, to allow the make-up of contributions requested by Ellen Cabral, six months (pro-rated), Steven C. Casey, two years five months (pro-rated), requesting acceptance of liability, Anthony Garcia, one year two months (pro-rated), Nadine Kellyman, five months (pro-rated), Dennis J. Maragioglio, five months (pro-rated), Michelle Moran, three months (pro-rated) and Maria E. Ribeiro, five years three months (pro-rated). Voted unanimously.

Agenda Item #5 – Refund Applications

The Board reviewed a list of refund applications submitted in March.

Motion by Gardner, seconded by Chamblin-Foster to accept seven refund applications. Voted unanimously.

Agenda Item #6– Cost-of-Living Adjustment

The Board reviewed correspondence with the City Manager and PERAC Memo #4/2016. The Chairman stated that the Board had sent proper notification to the City Council that the Board would consider a cost-of-living adjustment in excess of the Social Security Administration's COLA.

Motion by Chamblin-Foster, seconded by Shinkwin to grant a 3% Cost-of-Living Adjustment on the first \$14,000 for Cambridge Retirees, effective July 1, 2016. Voted unanimously.

Agenda Item #7 - City Council Policy Order Regarding Nuclear Weapons

The Board reviewed City Council Policy Order #1.

The Director states that the order urges divestment from companies that support the production or upgrading of nuclear weapons systems. Segal has provided some information on which companies in the portfolio may be involved in nuclear weapons. She also stated that she was not aware of any other retirement systems who have been asked to consider this type of divestment. Gardner moved to table the matter until the next investment review meeting. Chamblin-Foster seconded the motion and it was voted unanimously. The Chairman requested that Rafik Ghazarian be prepared to discuss the potential costs of divestment, and to report if socially-responsible investment funds use nuclear weapons production as a screen.

Agenda Item #8 – 2015 Annual Statement

Motion by Gardner, seconded by Chamblin-Foster to accept the 2015 Annual Statement. Voted unanimously. The Chairman requested additional information on transfers received from other systems over the last three years, since this number seems to have fluctuated significantly. Gardner noted that pensions paid have increased from \$48.2 million in 2013 to \$54.9 million in 2015. He said that, as part of the actuarial process, he would like Kathy Riley to discuss the system's cash flow.

Agenda Item #9 – PERAC Memos

The Board reviewed PERAC Memos number from 11 to 13. No action was taken.

Agenda Item #10 - Old Business

Gardner requested that Ghazarain be prepared to discuss equal-weighted index funds at the next investment review meeting. Gardner also stated that Segal had sent him information on the overlap between the Russell 1000 Value and Russell 1000 Growth funds, and he was surprised to see that 230 stocks are listed on both indexes.

Quirk stated that DALA affirmed the Board's decision in the Maria Simpreux case.

Agenda Item #11 - New Business

Not needed.

Agenda Item #12 - Executive Session

Not needed.

Agenda Item #13 - Chairman's Report

The Chairman stated that Cambridge has been replaced as lead plaintiff in the TerraForm Power case.

Agenda Item #14 - Executive Director's Report

The Director reminded Board members to notify her if they wish to attend the MACRS conference.

The Director reported that IFM has requested copies of driver's licenses from all Board members and some office staff. The Board requested that the Director get more information as to why this was necessary before complying.

KMPG will be in the office at the end of August to conduct their audit.

The office will mail annual statements to all members on April 20.

The Director stated that she expects that Segal will have prepared an analysis of the custodial bank proposals by the next investment review meeting.

The following documents were also reviewed by the Board:

- Notice of Retiree Deaths
- Correspondence from Attorney James H. Quirk re: Brian Pierce vs. Middlesex County Retirement Board and the Worcester Regional Retirement Board.
- Correspondence from Attorney James H. Quirk re: Nilso Perez vs. Aguila Construction. Company and American Zurich Insurance Company.
- Correspondence from Attorney James H. Quirk re: CRB (Pending Derivative Action – Terraform Power).
- Correspondence from Attorney James H. Quirk re: JT Travers vs. Winchester Retirement Board.
- Correspondence from Attorney James H. Quirk re: Maria Simpreux vs. Cambridge Retirement Board.
- Correspondence from Attorney James H. Quirk re: Michael Dell'Isola vs. State Board of Retirement.
- Correspondence from Attorney James H. Quirk re: Opinion on Amendments to 840 CMR 7.00 – Retirement Board Election Regulations PERAC Memo #12, 2016.
- PERAC Pension Newsflash re: Commissioner Kathleen Fallon.
- PERAC Pension News #42 re: Commissioner Robert McCarthy.
- Lazard Asset Management.

Monagle moved to adjourn at 6:10 PM.