

Minutes of the meeting held on August 7, 2017

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

Absent: Nadia Chamblin-Foster

The meeting was called to order at 5:03 PM. The meeting was digitally recorded.

Agenda Item #1– Minutes

Motion by Monagle, seconded by Shinkwin to accept the regular minutes of the meeting held on July 10, 2017. The motion carried on a 3-0 vote, with Gardner abstaining.

Motion by Shinkwin, seconded by Monagle to accept the executive session minutes of the meeting held on July 10, 2017. The motion carried on a 3-0 vote, with Gardner abstaining.

Agenda Item #2 - Warrant

Motion by Monagle, seconded by Gardner to accept payment of warrant #14 in the amount of \$6,904,426.17 and to accept payment of warrant #15 in the amount of \$826,301.46. Voted unanimously.

Agenda Item #3 – Superannuations

Motion by Shinkwin, seconded by Gardner to accept the Superannuation retirement applications submitted by Antonio Arcos, Police Officer with twenty-eight years one month, Linda Chin, Community Science Liaison, School Dept. with sixteen years two months, Harold Conrad, Firefighter with thirty-two years five months, Virginia Fitzgibbon, Buyer, Purchasing Dept. with sixteen years five months, Linda Gallagher, Senior Clerk, School Dept. with thirty-eight years six months, Barbara Hamm, Director of Victim Services, Cambridge Health Alliance with twenty years, four months, Joseph Logue, Branch Manager, Library with ten years five months, Bronwyn Mastrangelo, Staff RN, Cambridge Health Alliance with twenty-nine years one month and William Sullivan, Firefighter with thirty-four years one month. Voted unanimously.

Agenda Item #4 - Make-ups/Redeposits / Liability

The Board reviewed make-up worksheets for six members.

Motion by Gardner, seconded by Shinkwin to allow the make-up of contributions requested by Jeffrey E. Amero, one month (pro-rated), Mark S. Clavette, seven months (pro-rated), Denise Landrigan Defilippi, three years two months, Kinnflo Michel, one year four months, Debra P. Morris, one year ten months (pro-rated), and to allow the redeposit of refunds requested by Betsy M. Allen for refunds taken on three separate occasions totaling six years. Voted unanimously.

Agenda Item #5 – Refund Applications

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

Motion by Gardner, seconded by Shinkwin to accept ten refund applications. Voted unanimously.

The Chairman requested to adjourn the open meeting and go into executive session for the purpose of discussing disability retirement applications. The Chairman stated that the meeting would reconvene in open session at the conclusion of the executive session. On a roll call, the vote was as follows:

Michael Gardner:	YES
John Shinkwin:	YES
James Monagle:	YES

Francis Murphy: YES

Agenda Item #6 – Accidental Disability Benefit – Reggie Pagan

The Board reviewed the certificates and narrative reports of Reggie Pagan’s medical panel, the member’s application, treating physician’s statement and employer’s statement pertaining to her Accidental Disability application. Reggie Pagan appeared and responded to questions from the Board.

Motion by Shinkwin, seconded by Monagle to accept the findings of the medical panel and grant Accidental Disability benefits to Reggie Pagan, a Firefighter. Voted unanimously.

Agenda Item #7 – Accidental Disability Benefit – James Crowley

The Board reviewed the certificates and narrative reports of James Crowley’s medical panel, draft letters of clarification to the panel, the member’s application, treating physician’s statement and employer’s statement pertaining to his Accidental Disability application. Attorney Thomas Gibson appeared, representing the member.

Motion by Gardner, seconded by Shinkwin to request clarification from the medical panel, and to send the letters drafted by Attorney Quirk without any amendment. Voted unanimously.

Agenda Item #8 – Ordinary Disability Benefit – Keith Acenas

The Board reviewed the certificates and narrative report of Keith Acenas’ medical panel, the member’s application, treating physician’s statement and employer’s statement pertaining to his Ordinary Disability application.

Motion by Gardner, seconded by Monagle to accept the findings of the medical panel and grant Ordinary Disability benefits to Keith Acenas, Maintenance Worker in the Traffic Dept. Voted unanimously.

Agenda Item #9 – 91A Hearing – Dennis Coleman

The Board reviewed correspondence from PERAC.

The Director stated that Dennis Coleman has failed to file his tax returns with PERAC. This has been a continuing issue, as Coleman has been late filing his returns in prior years. The office has withheld his pension check for the last two months because he failed to return his annual affidavit. The staff has made numerous efforts to contact him, but he did not respond until August 4. He has now contacted PERAC, but has not actually submitted a copy of his tax return. Motion by Gardner, seconded by Monagle to terminate Dennis Coleman’s retirement allowance should he fail to comply with the PERAC reporting requirement by August 24. The motion carried on a 3-1 vote. Murphy voted in the negative.

Agenda Item #10 - PERAC Memos

The Board reviewed PERAC Memos 21-26. No action was taken.

Agenda Item #11 - Old Business

The Director distributed a report from Segal Marco showing the system’s current holdings of fossil fuel companies, and the holdings in 2013. The current holdings are slightly higher than they were in 2013. Overall, approximately 4.2% of the portfolio is now invested in fossil fuel firms. The Director reviewed Somerville’s recent move to place some assets in a fossil-free index fund. The Board made this transfer without issuing an RFP, or seeking approval from PERAC, and has now taken another vote to reverse their decision. Somerville has requested guidance from PERAC as to how they could proceed, while complying with procurement regulations. Gardner stated that he believes that the Board could opt to invest in ESG funds, consistent with the Board’s fiduciary duty. He also stated that he still questions the efficacy of these types of investments as a way of fighting climate change. The Chairman stated that he felt that the system was better off as shareholders, exercising voting rights.

The Director reminded the Board that representatives from MassDivest.org would attend the September meeting. She also stated that the City Council has requested a response from the Board regarding progress taken toward divestment. The Chairman stated that he would like to emphasize that fossil fuel exposure is a small portion of the portfolio, and that the Board intends to explore the legal process that would be required to issue a fossil-free RFP.

Agenda Item #12 - New Business

Eileen Hayes reported on the recent COLA issued to retirees. At the same time, the Cambridge Health Alliance made significant changes to their health insurance options, affecting nearly all retirees. Hayes stated that both changes went fairly smoothly.

Agenda Item #12 - Executive Session

Agenda Item #6 – adopted

Agenda Item #7 – request clarification

Agenda Item #8 – adopted

Agenda Item #13 - Chairman's Report

Board members congratulated the Chairman on the anniversary of his appointment to the Cambridge Fire Department. He is now the longest-serving active member of the department.

Agenda Item #14 – Executive Director's Report

Not needed.

The following documents were also reviewed by the Board:

- Notice of Retiree Death
- Correspondence from Attorney Quirk re: Deductions from Members Earning Less than \$5,000.00 Annually.
- Segal Marco Manager Alert – Merger of Aberdeen Asset Management PLC and Standard Life plc.
- PERAC Pension Newsflash – July 19, 2017
- 2017 Administrative Budget
- April Financials – General Ledger, Summary of Accounts, Trial Balance, Adjustments, Cash Disbursements, Cash Receipts, Wire Transfers.
- May Financials – General Ledger, Summary of Accounts, Trial Balance, Adjustments, Cash Disbursements, Cash Receipts, Wire Transfers.
- Bernstein Litowitz Portfolio Watch – 2Q 2017
- Pensions & Investments article – Maryland state pension fund to lower rate of return.
- Pensions & Investments article – Oregon Public Employees lowers return assumption to 7.2%.
- Lazard Asset Management Portfolio Review – June 2017.
- RBC Global Asset Management Quarterly Report – June 30, 2017.

Monagle moved to adjourn at 6:58 PM.