

## **Minutes of the Meeting held on December 1, 2014**

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

The meeting was called to order at 5:05 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 November 7, 2014. Voted unanimously.

Motion by Shinkwin, seconded by Gardner to accept the executive session minutes of the meeting held on November 7, 2014. Voted unanimously.

Motion by Monagle, seconded by Shinkwin to accept the minutes of the investment review meeting held on November 19, 2014. Voted unanimously.

### **Agenda #2 - Warrant**

The Director stated that going forward, the monthly warrant would include investment manager fees charged by pooled funds. The expenses are not paid by check, but rather deducted directly from the funds under management. Gardner requested that the Director contact Paul Todisco to inquire if the amounts charged by PRIT for management of the hedge fund program were typical, or if they would change as PRIT moves toward more direct investments.

Motion by Chamblin-Foster, seconded by Shinkwin to accept payment of warrant #22 in the amount of \$5,448,837.17 and Warrant #23 in the amount of \$504,532.89. Voted unanimously.

### **Agenda Item #3 – Superannuations**

Motion by Chamblin-Foster, seconded by Monagle to accept the superannuation retirement applications submitted by Catherine A. Decker, Receptionist, Department of Human Services with eleven years, Elaine L. Gould, Manager of Health Promotions, Cambridge Health Alliance with ten years three months, Donna M. Pritchard, Executive Assistant, Assessing Department with forty-two years six months, Maria L. Sousa, Assistant Teacher, School Department with twenty-seven years, Anne M. Sullivan, Nurse Manager, Cambridge Health Alliance with twenty-nine years eleven months, Patti Turner, RN, Cambridge Health Alliance with twelve years two months and Carole F. Withrow, Sr. Librarian, Cambridge Public Library with thirty years nine months. Voted unanimously.

### **Agenda Item #4 – Redeposits / Make up / Liability**

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

Motion by Chamblin-Foster, seconded by Shinkwin to allow the redeposit of refunds requested by Marc L. Wright, four years, one month, to allow the make-up of contributions requested by David J. Fimiani, two months (pro-rated), Lisa Gimbel, three months (pro-rated), Yolanda Hernandez, four months (pro-rated), Dekey Sangmo, seven months (pro-rated) and Marie E. Vieira, four years (pro-rated). Voted unanimously.

### **Agenda Item #5 – Refund Applications**

The Board reviewed a list of refund application submitted in November.

Motion by Gardner, seconded by Shinkwin to accept five 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
Nadia Chamblin-Foster	YES
John Shinkwin:	YES
James Monagle:	YES
Francis Murphy:	YES

**Agenda Item #6 - Accidental Disability Application - Kevin Clark**

The Board reviewed the member's application, treating physician's statement and employer's statement pertaining to Kevin Clark's Accidental Disability application.

Gardner moved to accept the application for Accidental Disability filed by Kevin Clark, a Laborer in the Public Works Dept. and to request that PERAC convene a medical panel, after contacting the employer to resolve any discrepancies in the application. Shinkwin seconded the motion and it was voted unanimously.

**Agenda Item #7 - Increase in Section 101 Benefit**

The Board reviewed a memo from Kathleen Riley of Segal Consulting.

Quirk reviewed the purpose of the Section 101 benefit, noting it only applies to the survivors of disability retirees who retired prior to 1996. There are currently 38 people receiving this benefit. Gardner requested that Segal update the memo to reflect the new funding schedule which was adopted since the memo was written.

Motion by Gardner, seconded by Chamblin-Foster to increase the Section 101 benefit to \$12,000 annually, pending receipt of an updated memo. Voted unanimously.

**Agenda Item #8 - PERAC Memos**

No memos were issued in November.

**Agenda Item #9 – Old Business**

Quirk stated that he has prepared a response to the first pre-hearing order in the Holt case. Gibson stated that this case could have a significant impact on the Board, as it might call into question the make-up calculations for all per-diem nurses.

Gibson stated that he plans to submit new information in the Francis Judd case, and would request that the Board reconsider its denial of Accidental Disability benefits.

**Agenda Item #10 - New Business**

Quirk stated that Labaton Sucharow has notified him of a potential securities litigation case involving Diamond International Resorts. Labaton has requested that Cambridge agree to file as lead plaintiff in the case for the purpose of conducting discovery. Motion by Chamblin-Foster, seconded by Shinkwin to agree to the request. Voted unanimously.

**Agenda Item #11 - Executive Session**

Agenda Item #6 - adopted

**Agenda Item #12 - Chairman's Report**

None offered.

**Agenda Item #13 - Executive Director's Report**

The Director reported that the 100 CambridgePark Drive property has been sold, with the deal scheduled to close on December 4. The new owners plan to upgrade the building, bringing it to

class A office space. They have also begun construction on a new parking garage behind the building. The retirement office's lease runs until 2022.

State Street has moved their custodial business to Kansas City. Cambridge's contact, Tony Teberio, will not be moving to the new location. The Director stated that Teberio has always been extremely helpful, and that she was concerned that with his replacement being unfamiliar with the pension system and PERAC regulations, it may be much more difficult to complete year-end accounting. Gibson stated that a number of other systems have been working with the Kansas City representatives for the last several months, and have experienced problems. He stated that Middlesex has most of its assets with PRIT, and plans to seek a waiver to operate without a custodian when State Street's contract expires in 2017.

The emerging markets debt RFP was issued on November 26. Responses are due by December 22.

The Board agreed to move the January meeting to Thursday, January 8 at 11:00 am.

The following documents were also reviewed by the Board:

- Notice of Retiree Death.
- Correspondence from Attorney James H. Quirk re: CRB (Athlon Energy, Inc.).
- Correspondence from Attorney James H. Quirk re: Edward Baldasaro, Jr. vs. CRB.
- Correspondence from Attorney James H. Quirk re; Diane Holt vs. CRB
- Boston Business Journal -State Street Lawyers up as Feds Investigate Public Pension Business.
- Wall Street Journal – State Street Investigation Centers on Ties to Lobbyist.
- New York Times – Harvard Students Move Fossil Fuel Stock Fight to Court.
- IR+M Income Research + Management – Portfolio Investment Report.
- Lazard Asset Management – Portfolio Review.
- Pyramis Global Advisors – Monthly Investment Review.

Monagle moved to adjourn at 6:15 PM.