

Minutes of the meeting held on February 5, 2018

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

The meeting was called to order at 5:00 PM. The meeting was digitally recorded.

Agenda Item #1 – Minutes

Motion by Shinkwin, seconded by Monagle to accept the regular minutes of the meeting held on January 8, 2018. The motion carried on a 4-0 vote, with Gardner abstaining

Motion by Shinkwin, seconded by Monagle to accept the executive session minutes of the meeting held on January 8, 2018. The motion carried on a 4-0 vote, with Gardner abstaining.

Agenda Item #2 - Warrants

Motion by Shinkwin, seconded by Chamblin-Foster to accept payment of warrant #2 in the amount of \$6,969,499.47 and to accept payment of warrant #3 in the amount of \$795,085.24. Voted unanimously.

Agenda Item #3 – Superannuations

Motion by Shinkwin, seconded by Chamblin-Foster to accept the Superannuation retirement applications submitted by Sharon Cecere, Housekeeper, Cambridge Health Alliance with thirty-three years, two months; Victoria Cronin, RN, Cambridge Health Alliance with thirteen years, nine months; Dennis Diminico, X-Ray Technician, Cambridge Health Alliance with thirty-two years; Edward Liberacki, Detective, Police Dept. with thirty-five years, four months; Maria Moniz, Paraprofessional, School Dept. with thirty-three years, four months; Michael Muehe, Executive Director, Disabilities Commission with twenty-nine years, seven months; Robert Violanto, Painter, Dept. of Public Works with forty-five years, three months; Uriel Walinjom, Mental Health Counselor, Cambridge Health Alliance with seventeen years. Voted unanimously.

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

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

Motion by Monagle, seconded by Shinkwin to allow the make-up of contributions requested by Julianne King for one year, four months; Raymunda Lagmay Carter for one year, three months; Stephen Lenkauskas for six months; Stephen Lenkauskas for one year, three months; Lauren Poisson for seven months; David Schofield for one month; David Tauro for one year; Wongel Terefe for one year, three months; Peter Vellucci for eight months and to allow to redeposit of a refund for Ramon DeJesus, two years, ten months. Voted unanimously.

Agenda Item #5 – Refund Applications

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

Motion by Shinkwin, seconded by Monagle to accept nine 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 Death Benefit – Joseph Pepin

The Board reviewed correspondence from Joseph Pepin's physician, his death certificate and the certificate and narrative report of his 1999 medical panel.

Motion by Gardner, seconded by Chamblin-Foster to grant Accidental Death benefits to Margaret Pepin, surviving spouse of Joseph Pepin, a retired Police Sergeant. Voted unanimously.

Agenda Item #7 – Accidental Disability Benefit – Thomas Kelley

The Board reviewed correspondence from PERAC, the certificates and narrative reports of Thomas Kelley's medical panel, the member's application, treating physician's statement and employer's statement pertaining to two separate Accidental Disability applications. The member was represented by Thomas Gibson and Gerry McDonough.

Gardner stated that he was satisfied with the responses from Weinrauch and Thakur and he moved to accept their reports and to deny the application. Monagle seconded the motion. On a roll call vote, the motion carried 3-2, with Shinkwin and Murphy voting in the negative.

Agenda Item #8 – Accidental Disability Benefit – Steven Lawless

The Board reviewed the certificate and narrative report of the medical panel, members application, treating physician's statement and employer statement filed in connection with Steven Lawless' Accidental Disability application.

Motion by Gardner, seconded by Shinkwin to accept the findings of the medical panel and grant Accidental Disability benefits to Steven Lawless, a Fire Captain. Voted unanimously.

Agenda Item #9 – Accidental Disability Application – Craig Labastie

The Board reviewed the members application, treating physician's statement and employer statement filed in connection with Craig Labastie's Accidental Disability application. The member was represented by Kristen Barnes, but she did not attend the meeting.

Motion by Gardner, seconded by Monagle to accept the Accidental Disability application filed by Craig Labastie and to request that PERAC convene a medical panel. Voted unanimously.

Agenda Item #10 – Group Classification and Benefits for 911 Dispatchers

The Board reviewed correspondence from Attorney Quirk.

Quirk described the law which currently governs withholding of deductions from holiday pay. Since 2012, holiday pay cannot be considered regular compensation for any employees, with the exception of police officers, firefighters and "fire alarm signal operators or signal maintenance repairmen."

Burns noted that the issue was raised because certain Water Department employees were having deductions withheld from holiday pay, in violation of the statute. While correcting this error, the system found that Emergency Communications Dispatchers were having the same deductions. Burns reported that he surveyed other systems to find out how holiday pay was being treated. He noted that Cambridge is one of only three systems that places 911 Dispatchers in Group 2. He also noted that there was no consensus about the treatment of holiday pay. About half of systems do take deductions from this pay, and half exclude such pay from withholding.

Gardner recalled that he had been involved with the initial move to reclassify the dispatchers in 1996, stating that it came out of a reorganization where police dispatchers and fire alarm operators were brought under the same department. Since the fire alarm operators had originally been classified in Group 2, the decision was taken to include all dispatchers under that group. He stated that he did not recall that job stresses were a major consideration. He stated that he felt it was unfair that the statute now prohibits the Water Dept. employees from having holiday pay considered pensionable, but that he did not see any reason to make changes to the 911 Dispatcher's classification or pay.

Quirk stated that, in his opinion letter, he notes a concern that the current responsibilities of 911 Operators don't match that of a "fire alarm signal operator." Further, if a dispute involving the holiday pay were ever reviewed by a court, the court might order changes to the group classification. He stated that, despite that, he believes that maintaining the Group 2 classification and current holiday pay arrangement was a defensible position. He also felt that it would be appropriate for the Board to take a vote on the matter.

Motion by Gardner, seconded by Shinkwin to make no changes to the current practice of withholding deductions from Emergency Communications Dispatchers' holiday pay. Voted unanimously.

Agenda Item #11 – 2018 Administrative Budget

The Director stated that the proposed budget increases the amounts allocated for staff salaries, management fees, custodial fees, consultant fees, legal expenses, and fiduciary insurance. The budget reflects the anticipated cost of an actuarial valuation being conducted in 2018. There is no Board election scheduled in 2018, which allows for a small reduction in administrative expenses. Gardner stated that over the next year, he feels the Board ought to be vigilant in monitoring fees paid to investment managers.

Motion by Gardner, seconded by Chamblin-Foster to accept the 2018 budget in the amount of \$9,690,895.81. Voted unanimously.

Agenda Item #12 - PERAC Memos

The Board reviewed PERAC Memos numbered from 1 to 10.

PERAC Memo #3 notes that the Social Security Administration has granted a 2.0% COLA. The Chairman stated that if the Board wishes to grant a higher amount, notification must be sent to the City Council. He noted that the 2018 COLA would be calculated on a \$16,000 base. Without objection, the Board asked the Director to send appropriate notice to the City Council and to place the matter on the April agenda.

Agenda Item #13 - Old Business

The Director reported that the property manager will not move forward with an offer to move the system's office to the 125 building.

Agenda Item #14 - New Business

Not needed.

Agenda Item #15 - Executive Session

Agenda Item #6 – adopted

Agenda Item #7 – denied

Agenda Item #8 – adopted

Agenda Item #9 – adopted

Agenda Item #16 - Chairman's Report

None offered.

Agenda Item #17 – Executive Director's Report

The Director stated that she will be conducting two retirement seminars at the Fire Department this week.

The Director stated that she would draft RFPs for legal services and for an investment consultant. Both must be issued this year to comply with Chapter 176 rules. She stated that she hoped to have both done in the first quarter.

The following documents were also reviewed by the Board:

- List of Retiree Deaths
- Correspondence from Attorney James Quirk re: Rita Capece vs. State Board of Retirement
- Correspondence from Attorney James Quirk re: Board's Role in Proxy Voting
- Correspondence from Attorney James Quirk re: Review of ADV Filed by Each of the Registered Investment Managers
- Correspondence from Attorney James Quirk re: State Board of Retirement vs. Brian O'Hare
- Correspondence from Attorney James Quirk re: State Board of Retirement vs. Thomas M. Finneran
- Correspondence from Attorney James Quirk re: Susan Lauder vs. Mass. Teachers' Retirement System
- Correspondence from Attorney James Quirk re: Annual Notice to PERAC Concerning Investment Philosophy and Guidelines
- Correspondence from Attorney James Quirk re: Patricia Mason vs. Mass. Teachers' Retirement System
- Correspondence from Attorney James Quirk re: Cheryl Hallen vs. Worcester Retirement System
- Correspondence from Attorney James Quirk re: Worcester Regional Retirement Board vs. CRAB
- Lazard Portfolio Review – December 2017
- RBC Quarterly Report and Strategy Update

Monagle moved to adjourn at 7:30 PM.