

Minutes of the meeting held on January 2, 2024

Present: Francis Murphy – Chair, Michael Gardner, Joseph McCann, James Monagle, Ellen Philbin, James Quirk, and Chris Burns.

Absent: Nadia Chamblin-Foster

The meeting was called to order at 11:05 AM. The meeting was digitally recorded. This was a hybrid meeting, held in-person in the Sheila Tobin Conference Room at 125 CambridgePark Drive, with some participants joining via Zoom videoconference.

Agenda Item #1 – Minutes

Motion by McCann, seconded by Gardner to accept the regular minutes of the meeting held on December 4, 2023. Voted unanimously.

Motion by Gardner, seconded by McCann to accept the executive session minutes of the meeting held on December 4, 2023. Voted unanimously.

Motion by Monagle, seconded by McCann to accept the minutes of the investment review meeting held on December 6, 2023. Voted unanimously.

The Director stated that she had received correspondence from Joseph Connarton. He stated that because there has been discussion around his eligibility to serve as the Fifth Member, he sought an opinion from PERAC. They confirmed that he would have been eligible to serve as the Fifth Member. Motion by Gardner, seconded by Monagle to accept the minutes of the Fifth Member interviews held on December 18, 2023. Voted unanimously.

Agenda Item #2 - Warrants

Motion by Gardner, seconded by McCann to accept payment of Warrant #24/2023 in the amount of \$9,394,506.53 and Warrant #1/2024 in the amount of \$169,053.76. Voted unanimously.

Agenda Item #3 – Superannuations

Motion by McCann, seconded by Monagle to accept the Superannuation retirement applications submitted by Robert Carey, Director of Golf, Dept. of Human Services with thirty-two years, four months; Dennis Carlone, City Councilor with ten years; Claire Edouard, Leasing Officer III, Housing Authority with thirty-six years, four months; John G. Gatzunis, Master Plumber, Housing Authority with thirteen years, eight months; Yoko Harumi, Clinical Social Worker, Cambridge Health Alliance with fourteen years, ten months; Michael Morrissey, Deputy Fire Chief with forty years, eleven months; Glenn Screen, Executive Chef, School Dept. with twelve years, eleven months; and Robin S. Zachary, Senior Clinician, Cambridge Health Alliance with fifteen years, seven months. Voted unanimously.

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

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

Motion by Gardner, seconded by Monagle to allow the make-up of deductions for Bernadine Charles for one year, seven months; Juana A. Gayle-Flores for seven months and accepting liability from Brookline; Viviane M. King-Adas for four months; Theresa M. Perry for one month; and Teddy Valcourt for eight months. Voted unanimously.

Motion by McCann, seconded by Monagle to allow the redeposit of refunds from Gloribel Buruca for two years, eleven months and Saleema A. Mohamed for three years, three months. Voted unanimously.

Agenda Item #5 – Refund Applications

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

Motion by Gardner, seconded by McCann to accept seven 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 the conclusion of the executive session. On a roll call, the vote was as follows:

James Monagle:	YES
Michael Gardner:	YES
Joseph McCann:	YES
Francis Murphy:	YES

Agenda Item #6 – Accidental Disability Application – William Hannafin

The Board reviewed the member's application, treating physician's statement and employer's statement filed in connection with William Hannafin's application for Accidental Disability benefits. Attorney Thomas Gibson appeared, representing Ms. William Hannafin.

Motion by Monagle, seconded by McCann to accept the application for Accidental Disability benefits filed by William Hannafin, Working Supervisor in the Dept. of Public Works, and to request that PERAC convene a medical panel. Voted unanimously.

Agenda Item #7 – Accidental Disability Benefit – Pedro Gonzalez

The Board reviewed the certificates and narrative reports of three separate medical panels, the member's application, treating physician's statement and employer's statement filed in connection with Pedro Gonzalez' application for Accidental Disability benefits. Attorney Leigh Panetti appeared, representing Pedro Gonzalez.

Motion by Gardner, seconded by Monagle to accept the findings of the medical panel and grant Accidental Disability benefits to Pedro Gonzalez, a Fire Lieutenant. Voted unanimously.

Agenda Item #8 – 91A Overearning – Juan Carlos Pons

The Board reviewed correspondence from Attorney Thomas Gibson and various supporting documents.

Gibson stated that Pons has been retired since 2000. He has always been in compliance with all 91A requirements since that time. Pons recently took a job as a long-haul truck driver. In 2022, he worked more hours than usual which resulted in a finding from PERAC that he had excess earnings. The Cambridge Housing Authority reported the income that he would have had if he had continued in the same grade. CHA based their reported salary on the pay for a "Construction Inspector" which falls into Grade 8 on their salary chart. Gibson stated that he did not feel that that grade reflects the full scope of the duties Pons was performing as an employee. He stated that he had reviewed several job descriptions from CHA and that the description for "Assistant Construction Project Manager" more closely matches the work that Pons was performing. This is a Grade 11 position, which pays approximately \$13,000 more than the Grade 8 position. Gibson stated that when he was working, Pons held the title of "Construction Coordinator", a title which no longer exists at CHA. When Pons applied for disability benefits, CHA sent two job descriptions, and noted that his job encompassed both the duties of a "Planning/Construction Assistant" and a "Construction Inspector". Gibson noted that Pons held a license as a certified Construction Supervisor, which is listed as highly desirable for applicants to the Grade 11 position. Gibson requested that the Board recognize that the Grade 11 salary more closely reflects Pons' work and submit new information to PERAC so that his 91A limit can be recalculated.

Gardner noted that this had been a complicated case when Pons filed his Accidental Disability application. Pons was not a member of the Cambridge Retirement System at the time of his

injury but was found to have been improperly excluded. Gardner stated that the Housing Authority made a determination of what Grade to assign Mr. Pons at the time he entered into membership and that decision should control going forward. Gibson stated that no job Grade was assigned under the collective bargaining agreement. He stated that he did not know the Grade for the two job descriptions that CHA supplied with the disability application. He added that it was not unusual for job titles to change or be eliminated. In those cases, Gibson stated that it was the responsibility of the Board to make an equitable determination based on the duties being performed and how that relates to current pay schedules. Quirk noted that the Board can make determinations about an appropriate salary. This comes up frequently in cases where a member retires and is replaced by a person being paid a lower salary. That lower salary does not necessarily control and the Board may seek other ways to determine the salary, such as by calculating a new salary based on cost-of-living adjustments.

Gardner asked if a Construction Supervisor license was a requirement for the Grade 11 position. Gibson noted that it was not a requirement but was listed as “highly desirable” on the job description. Gibson stated that Pons believes that his holding that license was a key factor in the decision to hire him. Monagle asked if Pons managed any employees as part of his job. Gibson stated that he did not have employees reporting to him but did manage contracts.

Gardner stated that it appears that Pons accepted his classification in Grade 8 when he entered the system, and that if he felt that Grade was inappropriate, he should have disputed it at the time. He suggested that the Board may wish to review cost-of-living adjustments granted by CHA to make a determination of the appropriate salary to use for the 91A calculation.

Gibson stated that although Pons was being paid a salary consistent with a Grade 8 position, his job classification remains ambiguous because CHA used multiple job descriptions. Monagle asked about the City’s experience with bringing CETA employees on as permanent hires.

Gardner noted that there was a process for bringing employees in at a pay grade which was appropriate for their job responsibilities. For union employees, such decisions could not be made unilaterally by the employer and the union would be involved in the process. Gibson suggested that employers are constantly adjusting job descriptions and that he might have been reclassified had he remained in the same position.

Motion by Gardner, seconded by Monagle to make inquiries of the Cambridge Housing Authority. Gardner requested that the system seek information about Pons’ salary and Grade classification at the time of his retirement, what cost-of-living and other adjustments have been granted since his injury, and any reclassifications to the Grades that have been implemented. Voted unanimously.

Gibson requested that no action be taken to recover the alleged overpayment to Mr. Pons while the matter remains under review. The Chairman asked if Pons was likely to have any overearnings in 2023. Gibson stated that he did not know but he would consult with his client and report back.

Agenda Item #9 – PERAC Memos

The Board reviewed PERAC memos numbered 27 through 30. No action was taken.

Agenda Item #10 - Old Business

Not needed.

Agenda Item #11 – New Business

Not needed.

Agenda Item #16 – Executive Session

Agenda Item #6 – adopted

Agenda Item #7 – adopted

Agenda Item #17 - Chairman's Report

The Chairman noted that in 2023, the NASDAQ was up by 47%, the DJIA was up by 14.5%, the S&P 500 was up by 20% and the Russell 2000 was up by 12.5%. He stated that he was optimistic that the system's final returns for the year would be strong.

Agenda Item #18 – Executive Director's Report

The Director stated that the staff was working on preparing 1099R forms, which will be mailed before the end of the month.

The Director stated that she would take leave in February due to a medical procedure. She stated that she would return to the office after her surgery, but then intends to retire in May. She stated that it has been a pleasure working in Cambridge. She thanked the Board and the staff for their support over the years. Monagle stated that he had enjoyed working with Philbin and that her retirement would be a loss to the system. Gardner stated that he had been involved in the hiring of thousands of employees and considered Philbin to be one of the top five best hires in his career. The Chairman stated that he had always appreciated Philbin's dedication and her assistance with his responsibilities as Chair.

The Chairman stated that the Board would need to consider a hiring process to replace Philbin. He asked if the Board could limit consideration only to current employees of the City of Cambridge. Gardner stated that this would be legally permissible, but he would not recommend it because it limits the applicant pool. If the Board were not able to make a hire internally, the system would have to restart the process from the beginning. He noted that it would be possible to state a preference for a current City employee while still allowing anyone to apply. The Chairman asked that Philbin and Gardner work together in order to create a job posting. The Chairman stated that he did not think it was necessary to have the posting vetted by the City Human Resources office, and that the Board should act independently. He requested that they have a draft prepared for review by the Board in time for the March meeting.

The following documents were also reviewed by the Board:

- Notice of Retiree Deaths
- PERAC Pension News – December 2023
- Correspondence from Attorney Quirk re: Robert Rowley vs. Everett Retirement Board
- Update from Acadian Executive Committee
- October Financials: General Ledger, Summary of Accounts, Trial Balance, Adjustments, Cash Disbursements, Cash Receipts, Wire Transfers, Bank Reconciliation.

Monagle moved to adjourn at 1:05 PM.