

Minutes of the meeting held on July 10, 2017

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

Absent: Michael Gardner

The meeting was called to order at 5:12 PM. The meeting was digitally recorded.

Agenda Item #1– Minutes

Motion by Shinkwin, seconded by Monagle to accept the minutes of the investment review meeting held on June 8, 2017. Voted unanimously.

Motion by Chamblin-Foster, seconded by Monagle to accept the regular minutes of the meeting held on June 12, 2017. Voted unanimously.

Motion by Monagle, seconded by Chamblin-Foster to accept the executive session minutes of the meeting held on June 12, 2017. Voted unanimously.

Agenda Item #2 - Warrant

Motion by Shinkwin, seconded by Monagle to accept payment of warrant #12 in the amount of \$6,540,560.25 and to accept payment of warrant #13 in the amount of \$1,136,940.27. Voted unanimously. The Director stated that the 100 CambridgePark Drive building was sold to a new owner, effective on June 23. The office lease runs until 2022.

Agenda Item #3 – Superannuations

Motion by Chamblin-Foster, seconded by Shinkwin to accept the Superannuation retirement applications submitted by James DeFrancisco, Deputy Superintendent, Police Dept. with thirty-seven years, one month, Dorothy Hudson, Senior Property Manager, Cambridge Housing Authority with twenty-five years, five months, David Pierce, Lieutenant, Fire Dept. with thirty-five years, two months, Stephen Ryan, Firefighter with thirty-one years, three months, Bryan Trelegan, Firefighter with thirty-two years and Joseph Wilson, Superintendent, Police Dept. with thirty-two years, three months. Voted unanimously.

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

The Board reviewed make-up worksheets for six members.

Motion by Shinkwin, seconded by Monagle to allow the make-up of contributions requested by Vanessa W. Cine, four months (pro-rated), Kevin M. Down, five months (pro-rated), Elizabeth A. Gallant Green, two months (pro-rated, requesting acceptance of liability), William H. Phillips, Jr., two months, Elizabeth A. Rose, six months and Jasmin A. Saunders, ten months (pro-rated). Voted unanimously.

Agenda Item #5 – Refund Applications

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

Motion by Monagle, seconded by Chamblin-Foster to accept two 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:

Nadia Chamblin-Foster: YES
John Shinkwin: YES

James Monagle: YES
Francis Murphy: YES

Agenda Item #6 – Accidental Disability Benefit – Michael Quinn

Attorney Gerry McDonough appeared, representing the member. The Board reviewed the certificates and narrative reports of Michael Quinn’s medical panel, the member’s application, treating physician’s statement and employer’s statement pertaining to his Accidental Disability application.

Monagle moved to accept the findings of the medical panel and grant Accidental Disability benefits to Michael Quinn. Chamblin-Foster seconded the motion and it was voted unanimously.

Agenda Item #7 – Survivor Benefit – Shelley Flaherty

The Board reviewed Nancy Beckford’s death certificate and the application for benefits filed by Shelley Flaherty.

Motion by Chamblin-Foster, seconded by Shinkwin to grant 12 (2) (d) survivor benefits to Shelley Flaherty, surviving child of Nancy Beckford, Executive Assistant in the Human Services Dept. Voted unanimously.

Agenda Item #8 – COLA Base

The Board reviewed correspondence from Kathleen Riley at Segal Consulting and the FY 2017 funding schedule.

The Chairman stated that, after getting strong returns in 2016, he felt that it was a good time to consider an increase in the COLA base. Monagle stated that he would like to have Segal’s letter reviewed by David Kale. He said he didn’t anticipate any objection, but he felt the Finance Dept. should be made aware of any potential impact on the funding schedule. He stated that the City might also consider making a one-time payment to cover the cost, rather than adjusting the funding schedule in future years.

Monagle moved to instruct the Director to contact David Kale and inform him of the Board’s intent to consider an increase to the COLA base. Chamblin-Foster seconded the motion and it was voted unanimously.

Agenda Item #9 – City Council Order

The Board reviewed a City Council Order dated June 26, 2017, excerpts of meeting minutes pertaining to fossil fuel divestment and a listing of the system’s fossil fuel investments in 2013. The Chairman reminded the Board that the City Council had asked that the Board consider divestment from fossil fuel companies in 2013. The Board met with representatives from 350.org and encouraged them to take their concerns to the State Legislature. The Council has passed a new order requesting that the Board report back on any steps taken toward divestment. The Chairman stated that he requested that Segal provide an update, showing the fossil fuel holdings as of 2017. The Chairman stated that 350.org has asked to address the Board at the August meeting. He stated that he would prefer to delay the meeting until September, to allow more time for the Board to review current holdings. The Director stated that she was aware that Somerville recently moved \$9 million into a fossil-free index fund managed by Rhumblin. Chamblin-Foster moved that the Director send a written response to the Council, stating the the system is reviewing current holdings, and offering to provide more information once Segal is able to finish their report. Monagle seconded the motion and it was voted unanimously.

Agenda Item #10 - PERAC Memos

The Board reviewed PERAC Memos 18-20.

The Director reminded Board members that many compliance and disability processes will now be processed through PROSPER.

Agenda Item #11 - Old Business

Not needed.

Agenda Item #12 - New Business

The Director stated that she received inquiries from several nurses at Cambridge Hospital who wish to be moved into Group 2. They believe they are entitled to the group change because their job duties include the care of mentally ill patients. The Director stated that certain State employees under the Dept. of Mental Health are included in Group 2 for this reason. Cambridge has never placed employees in Group 2 for this reason. She stated that she does not have job descriptions for the employees who made the request. Quirk stated that this issue has been litigated in the past. Based on these prior cases, the Board may wish to consider if the employees spend at least 50% of their time responsible for the care, custody and control of the mentally ill. He stated that he believed this would be a reasonable standard for the Board to adopt. The Board could seek documentation from the employer as to the employees' typical work schedule to see if an employee might qualify for a group change. In other cases, the courts have seemed to favor a standard where the care of the mentally ill must be the primary job responsibility. Quirk stated that he could send copies of cases for the Board to review. Chamblin-Foster suggested that the Director contact the Boston Retirement Board to see how psychiatric nurses at Boston Medical Center are classified.

The Director stated that she conducted a retirement seminar for Parking Control Officers. They have also made a request to be considered Group 2 employees. The Director stated that, based on her research, she has not found any other system in the State that has made such a change.

Agenda Item #12 - Executive Session

Agenda Item #6 – adopted

Agenda Item #13 - Chairman's Report

The Chairman stated that he has become aware of issues with members transferring from a local system into the Mass. Teachers' Retirement System. Transferred members have a limited amount of time in order to opt into the Retirement Plus plan, whereas new members are enrolled automatically. He stated that MTRS may not be able to notify all their transferred employees, and he suggested that Cambridge may wish to try to notify members who transfer into MTRS.

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: Madjie Cox and Alvie Grimes vs. Boston Retirement Board and Teresa Carter.
- March Financials – General Ledger, Summary of Accounts, Trial Balance, Adjustments, Cash Disbursements, Cash Receipts, Wire Transfers.
- Pensions & Investments article – CalPERS CIO looking at possible drastic cuts to private equity, citing transparency.

Monagle moved to adjourn at 6:30 PM.