

## Minutes of the meeting held on July 7, 2020

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

The meeting was called to order at 1:05 PM. The meeting was digitally recorded. The entire meeting was conducted by Webex videoconference.

### Agenda Item #1 – GASB Reports

Kathy Riley represented The Segal Company. A draft of GASB Statements 67 and 68 was reviewed by the Board. Riley reviewed the key points of the report. The report reflects all the assumption changes adopted by the Board in June. The funded ratio has improved over the last year from 79.9% to 85.8%. She also discussed the growth in liabilities over the last year. Liabilities will tend to increase every year, even after the system reaches full funding. She noted how the annual appropriation payments were divided between the system's four units. Kale stated that he and Monagle met with the City Manager to discuss the actuarial valuation. The City Manager would favor adopting the proposed funding schedule listed as "Schedule 2" in the draft valuation. The City Manager would also like the Board to maintain the 2026 date for full funding, and the Manager stated that he would allocate additional funds to hold to that date. Gardner moved to accept the GSB reports without amendment. Shinkwin seconded the motion. On a roll call, it was voted unanimously. The Board thanked Riley for her work in preparing the report.

### Agenda Item #2 – Minutes

Motion by Monagle, seconded by Chamblin-Foster to accept the minutes of the meeting held on June 8, 2020. On a roll call, the motion carried unanimously.

Motion by Shinkwin, seconded by Chamblin-Foster to accept the executive session minutes of the meeting held on June 8, 2020. On a roll call, the motion carried unanimously.

### Agenda Item #3 - Warrants

Motion by Shinkwin, seconded by Chamblin-Foster to accept payment of warrant #12 in the amount of \$7,519,603.89 and to accept payment of warrant #13 in the amount of \$1,476,751.70. On a roll call, the motion carried unanimously.

### Agenda Item #4 – Superannuations

Motion by Chamblin-Foster, seconded by Shinkwin to accept the Superannuation retirement applications submitted by Susan Aries, School Nurse, Cambridge Health Alliance with fifteen years, six months; Michael Black, Construction Program Manager, Executive Dept. with eighteen years, three months; Marie Guillaume, Patient Resource Coordinator, Cambridge Health Alliance with fourteen years, six months; Charles Kenneth, Mental Health Counselor, Cambridge Health Alliance with twenty-three years, eight months; Barbara Lester, Registered Nurse, Cambridge Health Alliance with thirty-one years, ten months; Brenda McDonough, Registered Nurse, Cambridge Health Alliance with twenty-eight years; Elizabeth Seelman, Outreach Case Manager, Dept. of Human Services with twenty-two years, eight months; Mary-Margaret Segraves, School Nurse, Cambridge Health Alliance with twelve years, four months; Francis Stone, Safety Specialist, Cambridge School Dept. with forty-three years, one month. On a roll call, the motion carried unanimously.

### Agenda Item #5 - Make-ups/Redeposits/Liability

The Board reviewed make-up and redeposit worksheets for one member.

Motion by Shinkwin, seconded by Monagle to allow the make-up of creditable service for Michael Scarlett, four months. On a roll call, the motion carried unanimously.

#### Agenda Item #6 – Refund Applications

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

Motion by Monagle, seconded by Chamblin-Foster to accept six refund applications. On a roll call, the motion carried 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:

Michael Gardner:	YES
Nadia Chamblin-Foster	YES
John Shinkwin:	YES
James Monagle:	YES
Francis Murphy:	YES

#### Agenda Item #7 – Accidental Disability Application – Richard Thorne

The Board reviewed the certificate and narrative reports of three separate medical exams, the member's application, treating physician's statement and employer's statement filed in connection with Richard Thorne's Accidental Disability application. Attorney Thomas Gibson appeared, representing the member.

Shinkwin moved to accept the majority findings of the medical panel and grant Accidental Disability benefits to Richard Thorne, a Firefighter. Chamblin-Foster seconded the motion. On a roll call, it was voted unanimously.

#### Agenda Item #8 - PERAC Memos

The Board reviewed PERAC Memos 23 and 24.

Gardner stated that he appreciated PERAC's effort in raising awareness of phishing scams.

#### Agenda Item #9 - Old Business

Gardner moved to accept the proposed funding schedule from Segal. The schedule incorporates a change in the return assumption to 7.25%, updated mortality table and a change to the assumptions for salary growth. He also moved to have the City accelerate payments so as to achieve full funding by 2026. Shinkwin seconded the motion. The Director stated that she would ask Kathy Riley to prepare a final report in time for approval at the August meeting. The Chairman reported that he and Quirk have continued to be involved in negotiations around the Spectrum litigation. Spectrum has now agreed to settle the case and pay \$35 million. The Chairman noted that all the negotiations were done over videoconference and he stated that he felt this made the process much faster and easier than other cases he had been involved in. The Director reported that she is attempting to track the number of retirees who have died due to COVID-19. She stated that she has received seven death certificates where COVID is listed as a contributing factor, but that the process of getting death certificates on deceased retirees has been slow. She said she hoped to be able to provide a fuller report at the August meeting. The Director stated that she and Quirk have drafted a sub-lease agreement with the Dental and Vision fund for their portion of the new office space. The building manager has targeted mid-November as a move in date.

#### Agenda Item #10 - New Business

Chamblin-Foster asked that Segal prepare a report showing which funds have investments in private prison companies.

Agenda Item #11 - Executive Session

Agenda Item #7 – adopted

Agenda Item #12 - Chairman's Report

The Chairman stated that he will be deposed later in July in connection with a securities case involving Willis Towers Watson.

Agenda Item #13 – Executive Director's Report

The Director stated that KPMG has begun their audit of the system. The auditors are not coming into the office. All documents are being exchanged via secure email. The audit should be completed by August 14<sup>th</sup>.

The Director stated that the office continues to function smoothly with limited staff working on-site.

The following documents were also reviewed by the Board:

- Notice of Retiree Deaths
- Segal Marco Flash Report – May 31, 2020
- BLB&G First Quarter 2020 Report
- March Financials: General Ledger, Summary of Accounts, Trial Balance, Adjustments, Cash Disbursements, Cash Receipts, Wire Transfers
- 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
- Manager/Vendor Disclosure Statements: Hancock Timberland X Fund
- Correspondence from Aberdeen re: Appointment of Stephen Bird as Director
- Lazard Portfolio Review – May 2020
- UBS Real Estate – COVID-19 Update and Real Estate Outlook

Monagle moved to adjourn at 2:25 PM.