

Minutes of the Meeting held on October 13, 2015

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

Arrived Late: Nadia Chamblin-Foster (Not present for agenda items 1, 2, 3, 4 and 5.)

The meeting was called to order at 11:02 AM. 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 September 1, 2015. Voted unanimously.

Motion by Shinkwin, seconded by Monagle to accept the executive session minutes of the meeting held on September 1, 2015. The motion carried on a 4-0 vote, with Chamblin-Foster absent.

Agenda #2 – Warrant

Motion by Monagle, seconded by Shinkwin to accept payment of warrant #18 in the amount of \$6,128,979.93 and Warrant #19 in the amount of \$1,034,754.65. The motion carried on a 4-0 vote, with Chamblin-Foster absent.

Agenda Item #3 – Superannuations

Motion by Gardner, seconded by Shinkwin to accept the Superannuation retirement applications submitted by Renee Betts, Administrative Supervisor, Cambridge Health Alliance with fifteen years, six months, Michael R. Bruno, Fire Captain, Cambridge Fire Department with thirty-four years five months, Daniel Doherty, Director of IT Systems Operations, Cambridge Health Alliance with fifteen years one month, Louis Lopes, Jr. Custodian, Cambridge School Department with fifteen years eleven months, Deborah I. Moore (Kuzma), Nurse Practitioner, Cambridge Health Alliance with eighteen years seven months and Cira Vicente, Medical Interpreter, Cambridge Health Alliance with fourteen years, nine months. The motion carried on a 4-0 vote, with Chamblin-Foster absent.

Agenda Item #4 – Redeposits / Make up / Liability

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

Motion by Shinkwin, seconded by Monagle to allow the redeposit of refunds requested by Anthony J. Bongiorno, five years five months, Kristen M. Copell, two years eleven months, Bernard J. Scannell, seven years four months, to allow the make-up of contributions requested by Kristen M. Copell, one month, Laurie B. Gaines, one year three months and Shawn L. Ivey, five months (pro-rated). The motion carried on a 4-0 vote, with Chamblin-Foster absent.

Agenda Item #5 – Refund Applications

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

Motion by Gardner, seconded by Shinkwin to accept ten refund applications. The motion carried on a 4-0 vote, with Chamblin-Foster absent.

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 – Edward Oliver

The Board reviewed the member’s application, treating physician’s statement and employer’s statement filed in connection with Edward Oliver’s Accidental Disability application. Motion by Gardner, seconded by Chamblin-Foster to accept the Accidental Disability application filed by Edward Oliver, and to request that PERAC convene a medical panel. Voted unanimously.

Agenda Item #7 - Accidental Disability Application – John Mobley

The Board reviewed the member’s application, treating physician’s statement and employer’s statement filed in connection with John Mobley’s Accidental Disability application. Motion by Chamblin-Foster, seconded by Shinkwin to accept the Accidental Disability application filed by John Mobley, and to request that PERAC convene a medical panel. Voted unanimously.

Agenda Item #8 - Accidental Disability Application – James Sullivan

The Board reviewed the member’s application, treating physician’s statement and employer’s statement filed in connection with James Sullivan’s Accidental Disability application. Motion by Chamblin-Foster, seconded by Shinkwin to accept the Accidental Disability application filed by James Sullivan, and to request that PERAC convene a medical panel. Voted unanimously.

Agenda Item #9 – PERAC Memos

The Board reviewed PERAC Memos numbered from 19 through 22. Quirk stated that Memo #19 describes potential changes to the Board election process and the disability regulations. The number of signatures required to qualify as a candidate for election would decrease from 20 to 5. On the disability side, all requests for clarification from a medical panel would be addressed through PERAC, and PERAC would have the option to deny a clarification request. In addition, the retirement staff would have additional responsibility in assisting members filing appeals with DALA and CRAB.

Agenda Item #10 – Cambridge Retirement Board Meetings

The Board reviewed a proposed schedule of meetings for 2016. Motion by Monagle, seconded by Chamblin-Foster to accept the proposed meeting schedule. Voted unanimously.

Agenda Item #11 - Old Business

Quirk stated that DALA affirmed the Board’s denial of Accidental Disability benefits in the Curley case. Monagle and Gardner stated that they had not been able to prepare a report on the manager review process yet. The Director reported that she met with Joseph Tulimieri, and came to an agreement on the amount of his overpayment. He will repay \$22,120.00 to the system, and his annual retirement allowance will be reduced by \$4,740.00 from this point forward. The Director stated that she would like to have the calculation reviewed by Attorney Quirk before she puts it into effect. Motion by Gardner, seconded by Chamblin-Foster to approve the adjustment of Tulimieri’s allowance, pending a final review by legal counsel. Voted unanimously.

Agenda Item #12 - New Business

Gardner stated that in reading about the generational mortality table, it appears that Social Security is now forecasting slower increases in longevity, meaning that adoption of this table would result in lower expenses. Gardner recommended this be discussed during the next actuarial valuation. The Director stated that a new valuation would take place in 2016. She stated that the Board will have to either issue an RFP for an actuary, or take a vote to extend Segal's contract for another two years. Quirk added that PERAC's actuary, Jim Lamenzo, has also advocated adoption of the generational mortality table.

Agenda Item #13 - Executive Session

Agenda Item #6 – adopted

Agenda Item #7 – adopted

Agenda Item #8 – adopted

Agenda Item #14 - Chairman's Report

The Chairman reported that BLB&G has noted a possible issue involving Marvell Technology Group. Their stock price dropped abruptly from \$13 to \$8 per share following an earnings report with much larger losses than were expected, leading to a suspicion that there may be a problem with their accounting practices. Cambridge appears to have suffered a loss of about \$700,000. BLB&G is now investigating the company. Gardner requested that the Chairman report back with further information about which managers held this stock.

The Chairman reported that there was some discussion at MACRS about how agendas are prepared and made public. PERAC has stated that if the Board is aware of items to be discussed under new business, that these matters be listed on the public agenda. Quirk stated that this would not preclude the Board from discussing matters that were unanticipated at the time that the agenda is created. He suggested the staff may wish to add a line to the agenda noting that other unforeseen items may be brought up. The Chairman suggested that the staff may wish to update the agenda posted on the system's website after the meeting to reflect which new items were discussed.

Agenda Item #15- Executive Director's Report

The Director asked Board members to notify her if they wish to attend the PRIM investor conference.

KPMG is still working in the office, working on the City's audit.

PERAC visited the office to follow up on the findings from their last audit, and have verified that the system has implemented fixes to all issues.

Burns reported on his trip to the Segal Rogerscasey client conference. He noted that he had attended presentations on a number of topics, including the need to monitor manager's correlations with major indices and with each other in an attempt to avoid redundancies in the portfolio. He also reported on a hedge fund presentation which described a need to attempt to try to review how individual segments under the hedge fund umbrella are performing, and to be aware that when combined into a whole, the larger group may show middling returns.

The following documents were also reviewed by the Board:

- Notice of Retiree Deaths
- Correspondence from Attorney James H. Quirk re: Chapter 176 of the Acts of 2011 Sections 37.
- Correspondence from Attorney James H. Quirk re: Dorothy Martin vs. Concord Retirement Board & PERAC).
- Correspondence from Attorney James H. Quirk re: PERAC's Proposed Changes to the Code of Massachusetts Regulations (840 CMR 10.00).

- Segal Rogerscasey Finalist Presentation – October 28th, 2015
- Segal Roserscasey Manager Review – November 30, 2015 and Correspondence with Scheduled Managers.
- PERAC Pension Newsflash-Upcoming PERAC Hearings and Meetings.
- 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.
- June Financials - General Ledger, Summary of Accounts, Trial Balance, Adjustments, Cash Disbursements, Cash Receipts, Wire Transfers.
- RBC Global Asset Management re: PERAC Tobacco Memorandum Compliance.
- RBC Global Asset Management- Market Update.
- Labaton Sucharow – Active Matters.
- Lazard Asset Management – Portfolio Review August 2015.

Monagle moved to adjourn at 12:25 PM.