

Minutes of the meeting held on April 1, 2024

Present: Francis Murphy, Michael Gardner, Nadia Chamblin-Foster, Joseph McCann, James Monagle, Ellen Philbin, James Quirk, Chris Burns and Christopher McLaughlin.

The meeting was called to order at 11:04 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 Monagle to accept the regular minutes of the meeting held on March 4, 2024. Voted unanimously.

Motion by Chamblin-Foster, seconded by Monagle to accept the executive session minutes of the meeting held on March 4, 2024. Voted unanimously.

Motion by McCann, seconded by Monagle to accept the minutes of the investment review meeting held on March 6, 2024. Voted unanimously.

Agenda Item #2 - Warrants

Motion by Gardner, seconded by Chamblin-Foster to accept payment of Warrant #6 in the amount of \$9,567,672.01 and Warrant #7 in the amount of \$3,628,875.78. Voted unanimously.

Agenda Item #3 – Superannuations

Motion by Monagle, seconded by McCann to accept the Superannuation retirement applications submitted by Rosemarie Barry, Clerk/Typist, Police Dept. with twenty-three years, four months; Aida Doo, Administrative Assistant II, Cambridge Health Alliance with forty-two years, four months; David Gamble, Patrol Officer, Police Dept. with thirty-one years; Michael Lacombe, Paraprofessional, School Dept. with eleven years, six months; Susan Pahigian, Staff Librarian with twenty-five years, Carolyn Rodrigues, Director, Dept. of Human Services with twenty-seven years, nine months; Catherine Woodbury, Senior Project Manager, Dept. of Public Works with thirty-eight years, six months. Voted unanimously.

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

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

Motion by Chamblin-Foster, seconded by Monagle to allow the make-up of deductions for Anna A. Anderson, four months (accepting liability from Haverhill); Sarah A. Andrade, four months; Michael F. Bennett, two years, three months; Evelyn C. Leuders-Booth, two years, two months; and James Ryan, one year, eight months. Voted unanimously.

Agenda Item #5 – Refund Applications

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

Motion by Gardner, seconded by Monagle 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 at the conclusion of the executive session. On a roll call, the vote was as follows:

James Monagle:	YES
Michael Gardner:	YES
Nadia Chamblin-Foster	YES
Joseph McCann:	YES

Francis Murphy: YES

Agenda Item #6 – Accidental Disability Benefit – Craig Yearwood

The Board reviewed the certificates and narrative reports of three separate medical exams, the member's application, treating physician's statement and employer's statement filed in connection with Craig Yearwood's application for Accidental Disability benefits.

Motion by Monagle, seconded by McCann to accept the findings of the medical panel and grant Accidental Disability benefits to Craig Yearwood, a Firefighter. Voted unanimously.

Agenda Item #7 – Cost of Living Adjustment

The Board reviewed a memo from PERAC.

Burns stated that the most recent Social Security COLA was 3.2%. The Board is required to notify the City if a COLA above the Social Security COLA might be considered. Burns stated that although it was not required this year, he still send notification to the City Manager. He noted that the cost of a COLA was built into the system's actuarial valuation. The Board adopted the \$18,000 base as part of the 2022 actuarial valuation and approved a COLA using that base in 2023. Quirk stated that it was permissible for Board members who collect a pension benefit to vote on the COLA since it was a general benefit available to all retirees.

Motion by Monagle, seconded by Chamblin-Foster to grant a 3% COLA, using an \$18,000 base, to be effective on July 1, 2024. Voted unanimously.

Agenda Item #8 – Annual Statement

The Board reviewed a draft of the 2023 Annual Statement.

McCann asked about the fluctuations in the Pension Fund. Philbin stated that she would look into it and report back. Philbin reviewed some of the other accounts, noting that there were fewer members transferring to other systems than in 2022. The management fees were lower than in the prior two years. The rent expense increased in 2023 because the system's prior lease ran out. Burns noted that the supplementary schedule and retirement allowance paid reports were part of the annual statement and would be submitted to PERAC. However, those parts of the report would not be posted on the system's website.

Motion by McCann, seconded by Chamblin-Foster to approve the Annual Statement without amendment. Voted unanimously.

Agenda Item #9 – Executive Director Search Process

The Board reviewed a report from a subcommittee consisting of Nadia Chamblin-Foster and Michael Gardner as well as cover letters and resumes from five applicants.

Chamblin-Foster reported that thirty-five candidates submitted applications for the Executive Director position. She stated that she and Gardner reviewed all the resumes independently before discussing them and identifying finalists. Gardner noted that the majority of the candidates had no experience with Chapter 32. There was one internal application from Chris Burns. There was one candidate, Sandor Zapolin, who had experience working at PERAC, currently running the Minuteman School District Retirement Board and is now Deputy Director at the State Retirement Board. Gardner noted that Zapolin had also previously applied for a job in the Cambridge Personnel Department.

The Chairman stated that he reviewed the five finalists and rated them. He stated that he rated the candidates with Chapter 32 experience most highly. However, he also stated that he felt it would be a mistake not to hire the person with the most direct experience working in the Cambridge system. He stated that the office has run very well with the current staff, and it did not seem to be necessary to bring in an outsider.

Gardner stated that he felt, given the significant responsibilities connected to the Executive Director position, that the system should conduct interviews. He stated that he would be interested in hearing the candidates discuss their vision for how the office should be run.

Chamblin-Foster stated that she also felt that the Board should conduct interviews with at least two of the finalists. McCann agreed, stating that for purposes of transparency it would be best to hold public interviews.

Monagle proposed inviting Chris Burns and Sandor Zapolin to interview, based on their lengthy experience with Chapter 32. Gardner moved to invite Burns and Zapolin to interview before the full Board. Monagle seconded the motion and it was voted unanimously.

McCann thanked the subcommittee for their work in reviewing the applicants' resumes. Gardner asked that the office staff contact the unsuccessful applicants to thank them for their interest.

Monagle asked when Philbin intends to retire. She said that she has not selected her last day but that it would likely be around the end of May. The Board agreed to conduct the interviews on Thursday, April 11.

Agenda Item #10 – PERAC Memos

The Board reviewed PERAC memo #10. No action was taken.

Agenda Item #11 - Old Business

The Board reviewed an executive summary of a disparity study commissioned by the City of Cambridge.

Burns noted that the purpose of the study was to evaluate the number of women, minority and veteran owned firms who do business with the City of Cambridge and to propose ways for the City to offer more business opportunities to such firms. The City Council has not reviewed the study yet, nor have they issued any instructions to City departments. Burns stated that after reviewing the study himself, he felt there were certain actions the Board might take in order to get ahead of any potential directives from the City Council. He suggested that the Board may wish to review the process Segal uses in order to advise women/minority owned firms when an RFP is issued and how successful they have been at encouraging such firms to submit proposals. He also noted that the study recommends that the City publicize RFPs up to a year in advance. Since the Retirement Board must review all investment managers on a seven-year schedule, this change could be implemented fairly easily.

Chamblin-Foster stated that she would favor having discussions with Segal and being prepared to issue a statement describing any changes that go into effect. The Chairman noted that the system now has minimum requirement of fund managers for assets under management and time in business and the Board may want to consider if those requirements should be relaxed in order to attract more diverse applicants.

Agenda Item #12 – New Business

Quirk noted that the State Inspector General's office has issued a report regarding Superannuation retirees who return to work in the public sector and the difficulties in enforcing earnings limits for those employees. The Boston Globe also published an article about this issue. The IG report includes a number of proposals, which could include the creation of a new agency to monitor overearnings. The Chairman stated that he was disappointed with the Globe article, which contained unrealistic examples of retiree allowances and COLAs.

Agenda Item #13 – Executive Session

Agenda Item #6 – adopted.

Agenda Item #14 - Chairman's Report

The Chairman stated that the City of Cambridge was again awarded a AAA bond rating.

Agenda Item #17 – Executive Director's Report

Philbin stated that the management company at 125 CambridgePark Drive was replaced. The building owner has hired Lincoln Property Company to handle maintenance and repairs.

Burns stated that member annual statements will be mailed in April.

Juan Pons will not appeal the Board's decision regarding the amount of his overearnings and has paid the amount he owes in full.

The following documents were also reviewed by the Board:

- Notice of Retiree Deaths
- Segal Marco Analysis of Investment Performance – February 29, 2024
- Manager/Vendor Disclosures: Aberdeen Emerging Markets Equity Fund, Ascent Venture Partners V, Bernstein Litowitz Berger & Grossman, Garcia Hamilton, Hancock
Timberland & Farmland Fund, Hancock Timberland X, IFM Global Infrastructure Fund, Intercontinental Real Estate, Landmark Equity Partners XV, Landmark Real Estate VI, Lexington Capital VIII, Pinebridge, RBC Emerging Markets, RBC International Fund, Rhumblin MSCI EAFE Index Fund, Rhumblin Russell 1000 Index Fund, Scott & Scott LLP, UBS Realty, Wellington Emerging Markets
- December Financials: General Ledger, Summary of Accounts, Trial Balance, Adjustments, Cash Disbursements, Cash Receipts, Wire Transfers, Bank Reconciliation.

Monagle moved to adjourn at 12:55 PM.