

Minutes of the meeting held on April 11, 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 1:02 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 – Chris Burns

The Board reviewed a cover letter and resume from Chris Burns. The Chairman stated that the Board has convened the meeting in order to interview candidates for the position of Executive Director of the Cambridge Retirement System.

The Chairman noted the importance of communications with the membership and of counseling new retirees to be sure they have a full understanding of their benefits. The Chairman conducted a mock informational session with Burns. Burns reviewed his process for conducting one-on-one meetings with new retirees. He noted that he always reviews a member's file and prepares estimates well in advance. He discussed the earnings limits for retirees who return to work in the public sector. He also reviewed how he discusses the difference between retirement options which options are more common for married employees. The Chairman asked about the advantages of retiring prior to June 30 and Burns responded by noting that members would not be eligible for the following year's COLA unless they had been retired for one full year before the COLA takes effect on July 1. Monagle asked about instances in which the member and their spouse disagree over the option selection. Burns stated that situations like that can happen, but it remains the member's decision which option to select and that the spouse only needs to understand the selection, not necessarily agree with it. He added that he tries to discourage members from making an option selection too quickly, and that ideally, he would meet twice with each retiree to ensure they have enough time to consider which option would work best for them and their family.

Chamblin-Foster asked Burns to describe his leadership style. Burns noted that he has already been in a management role as the Deputy Executive Director. He stated that first, he tries to stay above the fray and to maintain a professional relationship with the employees reporting to him. He stated that over the last month, he has scheduled a weekly one-on-one meeting with each staff member to discuss what was accomplished over the last week and what needs to be done in the week ahead. Burns stated that this allows him to determine the staff workload, when extra help might be needed and to set expectations for what should be accomplished. Burns also discussed the rhythm of the office, noting that the major events were the Board meetings and the payroll, both of which happen on a monthly basis. This allows time to prepare and handle any unusual problems that crop up in any given month. Chamblin-Foster asked what changes Burns anticipated ahead for the office. Burns stated that if he were hired as Executive Director, that he hoped that would also provide an opportunity for other members of the staff to move up into higher roles. He noted that some members of the staff were doing excellent work and deserved opportunities for advancement. He noted that, given the age of some of the staff members, it was quite possible that there would be other retirements within the next two years, although he emphasized that nobody had given him any formal notice of their intent to retire. Given that possibility, Burns offered that it would be helpful for the Executive Director to have a strong knowledge of the Cambridge Retirement System office. Burns stated that one advantage to promoting staff members is that it would provide an opportunity to cross train employees to perform different roles and that this would smooth the functioning of the office to allow employees to better cover other roles while staff members are taking time off.

Monagle asked about a situation where a member who has already reached the 80% benefit rate has leftover vacation time at retirement. Burns noted that in this situation, the member could

take a lump sum payment of unused vacation time, or take the pay week-by-week, which would extend the member's retirement date until their vacation time ran out. Burns stated that he would generally advise members to take a lump-sum payment, as the extra service time will make no difference in their calculation and the change in the salary calculation will be negligible.

Monagle asked about tracking retirees who overearn while employed with a municipal employer. Burns responded that tracking such retirees is difficult. A recent article the Boston Globe noted that there is no centralized system for tracking overearnings. Burns stated that the responsibility lies with the retiree and with their new employer. A retiree who is reemployed will not have any retirement deductions withheld from their pay, so the retirement office cannot monitor earnings from week to week. Burns stated that he does send notices to department heads when he becomes aware of a retiree who has been reemployed, reminding them of the earnings limitations. Monagle asked about the process for billing for 3(8)(c) retirees, who have service in other systems. In that situation, Cambridge is entitled to bill the other system for a portion of the retirement allowance paid. Burns noted that all such calculation must be approved by PERAC. This process has gotten somewhat easier since PERAC started accepting calculations online. Prior to that, calculations had to be submitted on paper, by regular mail. A number of calculations were missed at that time, and Burns worked to ensure that reimbursements were claimed for all eligible retirees.

McCann asked what Burns' involvement has been with the annual KPMG audit. Burns responded that he has some involvement in that he runs some of the reports that the auditors request each year. Other reports are run by Hanh Tran or by the system's custodial bank. He stated that the office is now in the process of starting the audit process and that he has worked with Ellen Philbin to understand better what is involved in the audit.

Gardner asked how Burns saw the Executive Director role and what new responsibilities he would need to take on. He also asked if Burns intended to appoint a Deputy Director immediately. Burns stated that he has not discussed the Deputy Director role with other members of the staff, as he felt it would be premature to do so. He stated that he did feel that it would be important to hire a new staff member soon after Ellen Philbin sets her retirement date. He stated that he felt that six employees was the correct staffing level for the office and that fewer staff makes it difficult to allow employees to schedule vacations. Burns stated that he has been shadowing Philbin in various aspects of her job, including learning more about the monthly payroll process and liquidating funds held by money managers to cover monthly payroll and expenses. Gardner noted that upon his retirement, he made an arrangement with the City to be available, on a paid basis, to assist with projects as assigned by the new Personnel Director. He asked if Burns would be open to working out a similar arrangement with Philbin. Burns stated that he would be happy to have Philbin stay on in some capacity, and stated that he felt that she could work 100% remotely if she agreed to stay on. Gardner asked about how Burns has worked with various vendors. Burns responded that he has some relationship with nearly every vendor, at least in terms of being a billing contact. He stated that his strongest relationships are with PTG and StratusPoint, the IT vendor. He noted that in addition to technical support, he also meets twice annually with StratusPoint to review the office's security posture and consider changes and upgrades. The office completed a change to the antivirus software within the last two weeks. Gardner asked specifically about the performance from Segal Marco. Burns stated that he felt the system could be getting a higher level of service from Segal. He stated that Segal will be reporting at the May investment review meeting around their process for encouraging responses to RFPs from women and minority owned firms. He also noted that, at present, the Board does not review their asset allocation strategy on any set schedule. This contrasts with the State Board, which reviews their strategy every year. Burns suggested that the Board may wish to also develop a schedule to update the strategy annually, adding that this was likely the most important decision that the Board must make to insure strong returns. He also stated that he was concerned that Segal may not provide frank feedback on manager performance during quarterly meetings. He stated that he was pleased with Segal's analysis of candidates when they come up

for a seven-year review but he also reminded the Board that prior to the adoption of the new procurement regulations, managers were reviewed at every quarterly meeting and poor performers were noted. He offered UBS as an example of a manager whose returns have been below their benchmark for approximately ten years and stated that Segal may provide an overly rosy analysis of their performance. Gardner asked what areas Burns was concerned about his ability to take over Philbin's responsibilities. Burns discussed a current, ongoing issue involving retirement withholding for employees at Cambridge Health Alliance. Philbin has always been the main point of contact in working with senior managers whenever a new process has to be implemented or corrected. Burns noted that such solutions cannot be imposed unilaterally and that it's possible that he may not approach such issues with the same diplomatic touch that Philbin has always used.

Monagle stated that he hoped Burns would take advantage of assistance from other members of the Board with any issues that may come up, particularly noting that he and McCann have long experience as auditors, working with both public and private employers.

Gardner asked if Burns intended to maintain his focus on technology issues in the office. Burns stated that he would, given that information security remains one of his primary concerns, although he might hand off more routine troubleshooting to another employee. Gardner asked for Burns' general thoughts on what new directions of tech development might affect the office. Burns stated that artificial intelligence was likely to play a role over the next five-to-ten years and that he felt it could be a positive in assisting staff but that he hoped to avoid it replacing any human jobs.

The Chairman asked for Burns' thoughts about hiring an employee to serve as a liaison with the City Hall benefits office, and to assist them in coordinating health benefits for new retirees and auditing existing retirees to be sure that they are on the most appropriate health plan. Burns stated that his major concern was getting buy-in from City Hall to ensure that any recommendations from the liaison will be acted on. If City Hall were willing to cooperate, Burns stated that he felt that Eileen Hayes would be an ideal person to take on the role. The Chairman noted that retirees who submitted their Medicare rates did see an increase in their April reimbursements.

Burns reminded the Board that Cambridge is his hometown and that he would be excited to spend the rest of his career working in the city where he was born.

Monagle stated that he felt that someone at the level of the City Manager or Deputy City Manager should be invited to meet with the Board so the Board can share their concerns about retirees receiving useful assistance from the Benefits Dept.

The Chairman announced that Sandor Zapolin withdrew his application and cancelled his interview, leaving the Board with only one candidate for the Executive Director position.

Monagle stated that he has been very pleased with the way the Retirement Office has been run and has never heard any complaints about members of the staff. He moved to offer the Executive Director position to Chris Burns. McCann and Gardner seconded the motion. The motion carried unanimously. The Board congratulated Burns on his promotion.

The Chairman stated that he, Burns, Jim Quirk and Philbin would meet in the near future to negotiate a contract and that he hoped to have a draft for consideration at the May meeting. The Chairman suggested that Burns should start as Executive Director within the next week. Gardner and Monagle stated that they would be concerned about having two people simultaneously holding the Executive Director title. Quirk also advised that the Board should agree to contract terms before setting a start date for the new Executive Director. He also stated that if Philbin agrees to work following her retirement, that there should also be a written agreement as to her work hours and compensation.