Minutes of the meeting held on June 8, 2026

Present: Joseph McCann, Nadia Chamblin-Foster, James Monagle, Chris Burns, Linda Champion and Christopher McLaughlin.

Arrived Late: Francis Murphy – Chair (Not present for agenda items 2 and 3 – McCann served as acting Chair during these matters.), Michael Gardner (Not present for agenda items 2, 3, 4, 5, 6, 10 and 11.)

The meeting was called to order at 11:05 AM. 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. Burns announced that the Retirement Board audio and video records the meeting, which in conjunction with the minutes, constitutes the official record of the meeting. The minutes are made available to the public. In addition, third parties may also audio and/or video record the meeting.

Agenda Item #1 – Actuarial Valuation
The Board reviewed a draft Actuarial Valuation, and a summary of the COLA bases adopted by other Massachusetts retirement systems. Kathy Riley appeared to review the valuation and Claire Spinner appeared to represent the City.
Riley reminded the Board that the funding schedule is now quite short and small changes will result in greater volatility. Since the 12/31/23 valuation, the number of active participants increased by 5.1% and the average salary increased by 8.6%. Riley noted that this increase was adjusted upwards to account for unsettled contracts with Police Officers and Firefighters which will result in retroactive payments. Going forward, the study assumes 4.5% annual salary growth, consisting of 3% growth due to inflation and 1.5% to account for promotions and step increases. The salary growth assumption does not account for any increases as a result of the City's 2026 salary study. Riley noted that over the last two cycles, actual salary growth has been above 4.5%. She noted that the City granted larger pay increases during the COVID pandemic, when inflation was higher. She stated that she still believes that 4.5% is a reasonable assumption over the long term. Spinner stated that she agreed that salary increases going forward should not be as high as they were in the prior four years. The number of retirees increased by 3.8% since 12/31/23 and the average monthly payment increased by 6.6%.
Investment returns were strong, with the portfolio returning 9.12% in 2024 and 14.94% in 2025. The system still saw a small actuarial loss from investment returns as the losses from 2022 were fully recognized. The system now has $95.3 million in unrecognized investment gains which will be recognized over the next five years, unless used to offset future losses. The system also saw an actuarial loss of $27.4 million due to salary growth being higher than expected. Riley stated that she would recommend that the system adopt a new mortality table. The present table has forecast more deaths than were actually experienced over the last three cycles. Changing to the Pub-2016 tables would result in an actuarial gain of $11.1 million.
The system presently assumes investment returns of 7.1% annually. Segal also prepared schedules which show the impact of lowering the return assumption to 6.9%. This would increase the unfunded liability by $47.2 million. Riley noted that either return assumption is reasonable. Segal Marco's projections show a >50% likelihood of attaining a 7.15% annual return over the next twenty years. She noted that under a 6.9% return assumption, the likelihood would increase to approximately 55%. Riley stated that she was concerned that the capital market assumptions may come down in the near future as the Iran conflict continues and inflation remains elevated. Riley also recommended increasing the administrative expense assumption from $1.6 million to $2.1 million annually. Riley recommended no changes to assumptions around salaries, number of retirements or number of disabilities.

Riley reviewed the proposed funding schedules. The present schedule brings the system to full funding by June 30, 2029. Funding schedule #1 would reflect only the experience loss and the changes to the mortality table and administrative expenses. The system will still reach full funding in 2029, albeit with a larger payment in the final year. Funding schedule #2 lowers the return assumption to 6.9%. Assuming level payments by the City, this schedule will push the date for full funding to 2031. Riley stated that she also prepared schedules to show the cost of increasing the COLA base to $20,000.

Riley discussed strategies to consider as the system approaches full funding. She suggested that the system may wish to consider a buffer by funding the system to 105% before the City cuts the annual appropriation. She also noted that the City might shift some appropriation into OPEB. This might be helpful in that it maintains an expectation that the money be earmarked to retirees and make it easier to shift back to the Retirement System in the event of a shortfall.

Spinner asked if the extension of the funding schedule would require approval from PERAC. Riley stated that funding schedules must always be submitted to PERAC, but that she anticipated that there would be no issue having it approved. The system would still be funded well in advance of the 2040 deadline. Spinner stated that she thought a 6.9% return assumption made sense. She stated that she was not as sure about committing to 105% funding but that it would be helpful to see schedules to that effect. Riley stated that the City might incorporate a glide path by cutting the appropriation to double the normal cost until reaching 105%, or by cutting the annual appropriation gradually in each year.

Gardner stated that he remains concerned that the stock market is currently overvalued and that the system could see losses in the near future. He noted that reducing the return assumption to 6.9% seems prudent. He suggested that the system should work to assist the City with their budgeting needs. Spinner stated that the City would be reviewing budget projections over the next month for FY2028 and she would need time to consider how the future appropriations fit into that planning. McCann asked if there would be a benefit to performing a full valuation every year. Riley stated that the City does benefit from doing an interim valuation in odd-numbered years that updates based on investment gains and losses. She stated that the City's salary study may result in a significant change to total liability but that it would be helpful to be able to review a calendar year of the new salary rates in order to gauge the full impact. Given that, Riley did not recommend a full valuation in 2027.

Riley reviewed funding schedule #3 which increases the COLA base to $20,000. This increases the unfunded liability by $15 million but would keep the date for full funding in 2031. Gardner stated that he would be opposed to an increase in the COLA base, noting that it generates a clear cost. This is unlike a reduction in the return assumption, which generates only actuarial costs. Spinner asked when the City would need to make a decision about moving to a 6.9% rate of return. Riley responded that there was no firm deadline, although completing the actuarial valuation is a prerequisite for completing the GASB report and the City's audit. McCann stated that he would prefer to have a decision made as soon as possible. Spinner requested that the Board not take any action until she has a chance to review budget projections and consult with the City Manager. Spinner stated that she intended to attend the investment review meeting on June 15, although she did not know if the City would be prepared to make a decision by that date. She stated that she would notify Burns by Friday, June 12 if the City was ready to proceed.

Motion by Gardner, seconded by Monagle to table the matter. Voted unanimously.

Agenda Item #2 – Minutes

Motion by Monagle, seconded by Chamblin-Foster to accept the regular minutes of the meeting held on May 4, 2026. The motion carried on a 3-0 vote with Gardner and Murphy absent.

Agenda Item #3 - Warrants
Motion by Chamblin-Foster, seconded by Monagle to accept payment of Warrant #10 in the amount of $10,332,922.75 and Warrant #11 in the amount of $1,542,243.01. The motion carried on a 3-0 vote with Gardner and Murphy absent.

Agenda Item #4 – Superannuations
Motion by Monagle, seconded by Chamblin-Foster to accept the Superannuation retirement applications submitted by Gladys Arevalo, Medical Assistant II, Cambridge Health Alliance with thirty-four years, nine months; Nicosias Bayego, Accountant III, Cambridge Housing Authority with thirty years, eleven months; Elaine Carrieri, Executive Assistant, School Dept. with thirty-two years, nine months; Angela Conway, Program Coordinator, Dept. of Human Services with eleven years, four months; John Decourcey, Firefighter with thirty-one years, three months; Zelda Dennis-Hughes, Housing Manager, Cambridge Housing Authority with nineteen years, eleven months; Laurie Fletcher, Teacher/Director, Dept. of Human Services with twenty years, one month; Ronald Gomes, Lieutenant, Fire Dept. with thirty-two years, eleven months; Jean Jeune, Case Manager, Dept. of Human Services with thirty-eight years, nine months; Jean Joseph, IT Technician, School Dept. with thirty-four years, one month; Elizabeth Lewis, Manager, Dept. of Human Services with thirty-three years, five months; David Mercurio, Assistant Fleet Manager, Police Dept. with twenty-one years, five months; Darlene Pearson, Lieutenant, Police Dept. with thirty-one years, one month; John Poirier, Patrol Officer, Police Dept. with thirty-five years, one month; Susanne Rasmussen, Deputy Climate Chief, Office of Sustainability with thirty-four years, seven months; Mary Samost, Nurse Manager, Cambridge Health Alliance with thirteen years, five months; Edward Sorey, Carpenter, School Dept. with twenty years, ten months; and Christopher Towski, Lieutenant, Fire Dept. with thirty-one years, eleven months. The motion carried on a 4-0 vote with Gardner absent.

Agenda Item #5 - Make-ups/Redeposits/Liability
The Board reviewed a list of make-up and redeposit requests submitted in May.
Motion by McCann, seconded by Monagle to allow the make-up of contributions Paul Michael Cresta, 3 months; Kidist Demmsia, 6 months; and Nicole McKim, 2 years 5 months. The motion carried on a 4-0 vote with Gardner absent.
Motion by Monagle, seconded by McCann to allow the redeposit of refunds for Daniel Christian, 2 years 10 months; Timothy R Flaherty, 7 years 6 months and Anthony McLeod, 8 months. The motion carried on a 4-0 vote with Gardner absent.

Agenda Item #6 – Refund Applications
The Board reviewed a list of refund applications submitted in May.
Motion by Monagle, seconded by Chamblin-Foster to accept fourteen refund applications. The motion carried on a 4-0 vote with Gardner absent.

The Chairman requested to adjourn the open meeting and go into executive session for the purpose of reviewing and considering disability 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
James Monagle:	YES
Joseph McCann:	YES
Michael Gardner	YES
Francis Murphy:	YES

Agenda Item #7 – Executive Session Minutes
Motion by Gardner, seconded by McCann to accept the executive session minutes of the meeting held on May 4, 2026, as amended. Voted unanimously.
Motion by Monagle, seconded by McCann to accept the executive session minutes of the meeting held on May 4, 2026 as redacted for public release. Voted unanimously.

Agenda Item #8 – Accidental Disability Application – Dion NiNatale
The Board reviewed the member's application, treating physician's statement and employer's statement pertaining to Dion DiNatale's application for Accidental Disability benefits pursuant to two separate conditions. Attorney Thomas Gibson appeared representing Dion DiNatale.
Gardner moved to accept the first Accidental Disability application submitted by Dion DiNatale, a Police Officer, and to request that PERAC convene a medical panel. He also requested that specific instructions and documentation be provided to the panel. McCann seconded the motion and it was voted unanimously. Gibson requested that he have an opportunity to review any instructions before they are forwarded to PERAC.
Gibson requested that Burns send him copies of all records in the Board's possession related to the second application. He suggested that the Board should table the matter for a month to give him a chance to review everything. Without objection, the Board agreed to table the matter.

Agenda Item #9 – RFP – Portfolio Monitoring
The Board reviewed a draft of an RFP for portfolio monitoring firms.
Burns stated that the system is due to review portfolio monitoring firms, as it has now been seven years since the last review. Currently, the Board works with Bernstein Litowitz, Labaton Sucharow and Scott & Scott. He stated that the system's past practice has been to require that the firms work on contingency and are paid only when a case is settled. The system may also require that the firms agree to indemnify against any additional costs incurred. Segal Marco does not provide any assistance for this type of hiring. Burns noted that the RFP he drafted was based on a template that PERAC provided. They did not recommend any particular minimum criteria, only advising that the Board should make sure that they would not be charged an hourly rate.
Gardner asked if the Board felt that three firms was the correct number to work with. The Chair stated that he had been working with both BLBG and Labaton over the long term, and that Scott & Scott was only hired seven years ago. He noted that Scott & Scott has more experience working in international markets and that BLBG and Labaton focus more on the United States.
Chamblin-Foster asked if Burns could survey other retirement systems to ask how many firms they've hired. Burns stated that he would publish the RFP within two weeks, and set a deadline for submissions in late July/early August.
Motion by Gardner, seconded by Monagle to instruct the staff to issue the RFP as written. Voted unanimously.

Agenda Item #10 – Board Election
McLaughlin noted that two people requested nomination papers, although James Monagle was the only person to submit nomination papers. In speaking with the other person to request papers, McLaughlin stated it was clear that she misunderstood the intent of the election notice and did not actually intend to run.
Motion by McCann, seconded by Chamblin-Foster to declare James Monagle elected to the Board and to declare that no election will be held. The motion carried on a 3-0 vote with Gardner absent and Monagle abstaining.

Agenda Item #11 – Retirement Board Social Media Postings
The Board reviewed analysis of followers and engagement on X and BlueSky, a City Council order, and an article regarding X.com's downranking of hyperlinks.

Burns stated that he requested assistance from Level Communications to review analytics on the Board's social media platforms. Level Communications is the same firm that assists the office with hosting and updates to the website. The system currently has 150 followers on X and 26 followers on BlueSky. BlueSky has been showing faster growth and posts on BlueSky appear to have proportionally higher engagement. Burns stated that he remains concerned about the reasons that the City Council has provided for exiting X, in that it appears motivated by a desire to retaliate against Elon Musk for his stated political opinions. Burns suggested that if the Board wishes to stop posting on X, they should do so for the reasons stated in the analytics report and not adopt the reasons stated by the City Council.
The Chair noted that during the recent shooting on Memorial Drive, the City did not make any postings on X and noted his concern that the public was unable to get updates if they followed City accounts on X.
Chamblin-Foster stated that she understood that many people no longer wish to use X and she asked if the system could do more to make people aware that they have the option to use BlueSky instead. Burns noted that BlueSky has visibility on the front page of the system's website. Employee email signatures show links to follow on either X or BlueSky. Motion by Monagle, seconded by Chamblin-Foster to make no changes to the current practice of posting on both X and BlueSky. The motion carried on a 4-0 vote with Gardner absent.

Agenda Item #12 – PERAC Memos
The Board reviewed PERAC Memos 16, 17 and 18.
Burns stated that Eileen Hayes was in the process of contacting retirees who have not submitted 91A forms to encourage them to submit their documents as soon as possible.

Agenda Item #13 – Old Business
Burns reported that he had a meeting with Rae Catchings and Jania Bell from Human Resources to ask how the City's salary study might affect employees of the Retirement System. Burns then submitted copies of job descriptions to HR. Catchings stated that she would work to match each employee to the City's new salary scale and report back prior to the July Board meeting. City employees will receive pay increases in late May or early June. Burns stated that once he has the information from HR, the Board could vote to approve pay increases retroactive to the same date that the City used.
Burns reported that he continued to receive release forms from Police Officers and Firefighters to allow him to get copies of their pre-employment physicals.

Agenda Item #14 – New Business
Gardner requested that the Board consider changing the date of the July meeting. Without objection, the Board agreed to change the date to Tuesday, July 7 at 11:00 AM.

Agenda Item #15 – Executive Session
Agenda Item #7 – adopted
Agenda Item #8 – application for first condition was accepted and application for second condition was tabled

Agenda Item #16 - Chairman's Report
Not needed.

Agenda Item #17 – Executive Director's Report
Burns stated that Director's Desk would be terminating their current app by the end of the year. Burns stated that he arranged to move the system onto their new app starting in September. He will arrange training for all Board members on the new app in August.

Burns stated that was working on scheduling a tabletop security exercise later in the summer. Doing this sort of exercise was recommended at the MACRS conference. Burns stated that he hoped all Board members would be able to attend and that he would send out a list of potential dates. Champion suggested that Attorney Genin participate as well.
Burns noted that PERAC's presentation at the MACRS conference included discussion of preventing retirement deductions from being withheld on extra pay for employees when they work out of grade. Burns stated that he would review what supplementary regulations the Board has already adopted and then report back to the Board. Gardner stated that he remains concerned at how much effort was required for the City to continue taking deductions from Hazardous Duty Pay, and that he felt the Board should also look to protect employees who routinely are required to work out of grade.

The following documents were also reviewed by the Board:

- List of Retirees who Died in May 2026
- OPEB Summary Report - May 2026
- WSJ Article - You're Probably Overinvested in Bonds - May 21, 2026
- Approval for destruction of various records
- Memo from City Manager re: Sustainable Procurement Policy
- Lawyer's Weekly article - Lawsuits Target Retirement Appeal Delays at CRAB
- Correspondence from Aberdeen re: Equities Team Update
- Correspondence from Acadian re: Auditor Change
- Correspondence from IFM re: VTTI Fujairah Terminal
- Correspondence from IR+M re: Erinn King
- Correspondence from MetLife re: Relationship Update
- Correspondence from PTG re: SOC 2 Type 1 and Type 2 Certifications Achieved
- Correspondence from Wellington re: Acquisition of Hartford Funds
- January Financials: General Ledger, Trial Balance, Adjustments, Cash Disbursements, Cash Receipts, Wire Transfers, Bank Reconciliation
- February Financials: General Ledger, Trial Balance, Adjustments, Cash Disbursements, Cash Receipts, Wire Transfers, Bank Reconciliation

Monagle moved to adjourn at 2:25 PM.