Minutes of the meeting held on July 7, 2026

Present: Francis Murphy – Chair, Joseph McCann, Michael Gardner, James Monagle, Chris Burns, Linda Champion, Katherine Hesse and Christopher McLaughlin.

Arrived Late: Nadia Chamblin-Foster (Not present for a portion of agenda item #1)

The meeting was called to order at 11:00 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 new schedules prepared in response to requests from the City. Kathy Riley appeared to review the valuation and Claire Spinner appeared to represent the City.

Riley stated that Spinner had requested adjustments to Schedule 1a which maintains the 7.1% return assumption, updates the mortality table and brings the system to full funding in 2029. Riley prepared a new schedule titled "1A Revised" which increased the payment for FY2027 and then reduces the payment by 5% in each of the following years. This pushes the date for full funding out to 2030.

Spinner stated that the revised schedule was not what she had intended. She stated that the City would not be able to make any additional payment for FY2027. She requested that the City be allowed to lower the Actuarially Determined Contribution for FY2027, which would allow for a credit to be applied in future years. Riley stated that such a reduction would be allowable. The ADC was held steady between FY2026 and FY2027, so it would be permissible to lower the amount by up to 5%. Riley stated that she had already spoke with John Boorack about this change and he approved it. Burns confirmed that he had already received payments from all four units which totaled to the agreed FY2027 appropriation of $55,196,583. Riley stated that she could provide a revised schedule to incorporate Spinner's request.

Gardner stated that he would not be comfortable voting on a schedule until he saw all the changes in writing. He also stated that he would like to vote immediately rather than tabling the matter until August. Spinner stated that the changes were necessary due to revenue shortfalls that the City is dealing with this year. She stated that she did understand that there was no guarantee that the unfunded liability would actually be paid off by 2030 and that she was working on planning for continued funding over a longer period of time.

Spinner stated that she could incorporate the changes into a new schedule and present it to the Board before the end of the day. She emphasized that she felt that a 7.1% return assumption remains reasonable for the present, but that the Board should plan around lowering the assumption to 6.9% in 2028.

McCann asked about the impact of missing the 2030 funding date. Riley stated that if the system adopts a schedule that pushes the funding past 2030, PERAC would not allow the system to take further reductions in the annual appropriation. PERAC will also not allow the system to extend the use of the credit for prior overpayments past 2030.

Agenda Item #2 – Minutes

The Chair suggested that Gardner should abstain from the vote on the June 8 minutes because he missed a substantial amount of the meeting. Champion stated that a member may abstain if it is their preference, but they may also choose to vote if they have reviewed the minutes and feel that they are in order, even if they did not attend the meeting. The Chair noted that he also missed two

agenda items and would prefer to abstain as to the minutes of those specific items. The Chair asked to table consideration until Nadia Chamblin-Foster's arrival.
Motion by Gardner, seconded by Monagle to accept the minutes of the investment review meeting held on June 15, 2026. The motion carried on a 4-0 vote with Chamblin-Foster absent.
Motion by Chamblin-Foster, seconded by Monagle to accept the minutes of the regular meeting held on June 8, 2026. The Chair noted that he would vote to approve the minutes, with the exception of items 2 and 3. The motion carried on a 4-0 vote with Gardner abstaining.

Agenda Item #3 - Warrants
Motion by McCann, seconded by Monagle to accept payment of Warrant #12 in the amount of $10,639,408.18 and Warrant #13 in the amount of $2,251,743.05. Champion confirmed that Murphy Hesse's practice is to send invoices on a quarterly basis. The motion was voted unanimously.

Agenda Item #4 – Superannuations
Motion by Monagle, seconded by Chamblin-Foster to accept the Superannuation retirement applications submitted by Norman Belanger, Registered Nurse, Cambridge Health Alliance with twenty-seven years, six months; Alice Bikofsky, Standardized Testing Coordinator, School Dept. with twenty-nine years; Elaine Delaney, Clerk, School Dept. with fifteen years, seven months; Debra Dowd, Paraprofessional, School Dept. with thirty years, one month; Diane Gengo, Clinical Nurse Educator, Cambridge Health Alliance with thirty-seven years; Karen Penrose, Assistant Manager, Cambridge Housing Authority with seventeen years, one month. Voted unanimously.

Agenda Item #5 - Make-ups/Redeposits/Liability
There were no requests for make-up or redeposit requiring approval.

Agenda Item #6 – Refund Applications
The Board reviewed a list of refund applications submitted in June.
Motion by Gardner, seconded by Monagle to accept seventeen refund applications. Voted unanimously.

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 Monagle, seconded by Chamblin-Foster to accept the executive session minutes of the meeting held on June 8, 2026, as amended. Voted unanimously.
Motion by Gardner, seconded by Monagle to accept the executive session minutes of the meeting held on June 8, 2026 as redacted for public release. Voted unanimously.

Agenda Item #8 – Involuntary Accidental Disability Application – Steven Sharkey
The Board reviewed the involuntary retirement application filed by the Cambridge Water Department and an employer statement. Attorney Brian Sullican appeared representing Steven Sharkey and Attorney Michael Costello appeared representing the City of Cambridge.

Gardner moved to accept the Involuntary Accidental Disability application filed on behalf of Steven Sharkey, a Construction Inspector in the Water Dept. and to request that PERAC convene a medical panel. Monagle seconded the motion and it was voted unanimously.

Agenda Item #9 – Accidental Disability Application – Victor Clarke
The Board reviewed the member's application, treating physician's statement and employer's statement filed in connection with Victor Clarke's application for Accidental Disability benefits. Motion by Gardner, seconded by Monagle to accept the Accidental Disability application filed by Victor Clarke, a Fire Lieutenant, and to request that PERAC convene a medical panel. Voted unanimously.

Agenda Item #10 – Policy on Workers' Compensation Settlements
The Board reviewed a draft policy on workers' compensation settlements.
Champion stated that the most significant change from the existing policy is to clarify that the offset payable to the Retirement System cannot be calculated based on Sec. 36 benefits. Previously, only attorney's fees were excluded under the policy. Gardner noted that there was the potential for attorneys to shield money from withholding by putting it under that category. Champion stated that withholding from Sec. 36 is prohibited by Chapter 32. She stated that she and Burns would review settlements to be certain that funds could not be shielded in that way. Champion stated that she did not feel it was necessary to exclude legal fees, but that this has been the long-standing practice of the Board. The policy states that the Board will take a minimum of 20% of settlement proceeds, but Champion stated that she was aware that some Boards set a minimum of 25% or 30%. Burns stated that the last time the Board reviewed the policy, the Board selected the 20% figure in order to not take an excessive share of employee settlements, and so as not to prolong the process of bringing cases to a conclusion. Burns stated that over the last year, settlement amounts ranged between $40,000 and $100,000. In 2025, seven cases were settled, with the Board's share totaling $91,000. Gardner moved to accept the policy without amendment, and to request that the staff survey other retirement systems to determine if other Boards take more than 20% of settlements and if they include attorney fees in the calculations. Monagle seconded the motion and it was voted unanimously.

Agenda Item #11 – PERAC Memos
There were no PERAC memos issued in June.

Agenda Item #12 – Old Business
Burns reported that he received a response to the Board's request for additional information on Mary Thomas, and he and Champion were reviewing it. He also confirmed that the City was unable to locate any additional records on Dion DiNatale.

Agenda Item #13 – New Business
Monagle asked about pending legislation to change the post-retirement earnings limit and to grant enhanced COLAs. Burns noted that the bills have not been signed by the Governor. If they are signed, he stated that PERAC would likely issue a memo to explain the implementation.

Agenda Item #14 – Executive Session
Agenda Item #7 – adopted
Agenda Item #8 – adopted
Agenda Item #9 – adopted

Agenda Item #15 - Chairman's Report
Not needed.

Agenda Item #16 – Executive Director's Report
Burns stated that there would be seventeen new retirees added to payroll in July.
The Police Dept. settled their contract with the Patrol Officers. This will result in retroactive payments to twenty retirees. Burns stated that he intends to recalculate their benefits in August.
The Chair asked if the settlement was accounted for in the actuarial valuation. Burns stated that Segal was aware that the contract was unsettled and accounted for the likelihood of a retroactive payment. McCann stated that he remains concerned that the system will see an actuarial loss due to increased headcount in the City and increased salaries from the recent compensation study.
The Board reviewed an updated funding schedule, described as "Funding Schedule 1a Revised July 7, 2026". This schedule reduces the required contribution for FY2027, which allows use of the outstanding credit to be extended in FY 2028. Spinner joined the meeting remotely and confirmed that she had consulted with Kathy Riley. The proposed schedule addresses all the City's concerns and Spinner stated that she would support adopting it. Motion by Gardner, seconded by McCann to adopt Funding Schedule 1a Revised July 7, 2026. The motion carried unanimously. Gardner stated that he was impressed with the level of flexibility and cooperation between Riley, the City and the Board. Spinner stated that she appreciated Riley's assistance and thanked the Board for their cooperation.

The following documents were also reviewed by the Board:

- List of Retirees who Died in June 2026
- Segal Research Outlook re: SpaceX IPO
- PERAC 2025 Investment Report
- Correspondence from PERAC re: Legislative Managers
- Correspondence from PERAC re: Medical Panel Documents
- Correspondence from PERAC re: Cyber Attacks
- 2026 Administrative Budget
- Eastern Bankshares to Join S&P 500 SmallCap 600 Index
- Correspondence from JP Morgan re: New Capital Fee Credit Program
- Correspondence from Mass Retirees Association re: Pension Fund Investment Practices
- Correspondence from PTG re: Ongoing Litigation
- March Financials: General Ledger, Trial Balance, Adjustments, Cash Disbursements, Cash Receipts, Wire Transfers, Bank Reconciliation
- CVC Marathon Announcement – July 1, 2026
- PERAC Pension News – July 2026
- Statement from City Manager Yi-An Huang and Mayor Sumbul Siddiqui Regarding Death Investigation of Public Works Employee

Monagle moved to adjourn at 1:25 PM.