

Minutes of the meeting held on September 8, 2025

Present: Francis Murphy – Chair, Joseph McCann, Michael Gardner, Nadia Chamblin-Foster, James Monagle, Chris Burns, and James Quirk.

The meeting was called to order at 11:01 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 – Actuarial Update

Kathy Riley from Segal Company appeared and presented the results of an interim actuarial valuation run as of January 1, 2025. Riley stated that the report was intended only for informational purposes and to allow the Board to more closely monitor the valuation as the system approaches full funding. Riley said that she would not propose any changes to actuarial assumptions or to the funding schedule. The system saw an investment return of 9.12% in 2024 but this was offset by unrecognized losses, making the actuarial return for 2024 only 6.46%. This is below the assumed rate of return of 7.1% which results in an actuarial loss of \$11.8 million. As of January 1, 2025 there are still \$42.2 million in losses, mainly from 2022, which must be recognized over the next two years. The system will not be able to pay off the unfunded liability in FY 2029 and the funding schedule may have to be extended into 2030 unless the loss is offset by future gains. Riley reminded the Board that even after reaching full funding, the Board will want to consider questions of how to maintain full funding and what level of cushion to maintain above 100% funded. Burns stated that Claire Spinner was provided a copy of the report and was invited to the meeting, but she was unable to attend. Riley stated that she would request data for the 2026 valuation in January and then finish the report once the annual statement is prepared.

Agenda Item #2 – Minutes

Motion by Monagle, seconded by Gardner to accept the minutes of the meeting held on August 11, 2025. The motion carried on a 4-0 vote with Chamblin-Foster abstaining.

Motion by McCann, seconded by Gardner to accept the executive session minutes of the meeting held on August 11, 2025. The motion carried on a 4-0 vote with Chamblin-Foster abstaining.

Agenda Item #3 - Warrants

Motion by McCann, seconded by Monagle to accept payment of Warrant #16 in the amount of \$10,456,295.20 and Warrant #17 in the amount of \$2,282,193.52. Voted unanimously.

Agenda Item #4 – Superannuations

Motion by McCann, seconded by Monagle to accept the Superannuation retirement applications submitted by Floride Noelsaint, Program Assistant, Dept. of Human Services with eighteen years, two months; Sikha Sen, Community School Director, Dept. of Human Services with fifteen years, seven months; and Karen Sontag, Workforce Development Manager, Cambridge Health Alliance with twelve years, seven months. Voted unanimously.

Agenda Item #5 - Make-ups/Redeposits/Liability

The Board reviewed a make-up worksheet for one member.

Motion by Gardner, seconded by Chamblin-Foster to allow the make-up of contributions for Michael D. Thomas, for seven months.

Agenda Item #6 – Refund Applications

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

Motion by Gardner, seconded by McCann to accept nine 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:

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

Agenda Item #7 – Survivor Benefit – Erich Munsey

The Board reviewed the application for survivor benefits filed by the surviving spouse of Erich Munsey.

Motion by Monagle, seconded by Gardner to grant survivor benefits pursuant to Section 12 (2) (d) for Elizabeth Tegen, surviving spouse of Erich Munsey, a Custodian in the School Dept. Voted unanimously.

Agenda Item #8 – Accidental Disability Application – Carl Pilgrim

The Board reviewed the member's application, treating physician's statement and employer's statement filed in connection with Carl Pilgrim's accidental disability application.

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

Agenda Item #9 – KPMG Audit

The Board reviewed final drafts of the KPMG audit.

McCann stated that there were no findings in the audit and that the auditors had total cooperation from the staff. He noted that the auditors reviewed the arrangement by which the City has historically paid a portion of the appropriation due from Cambridge Health Alliance. As the number of Health Alliance employees in the retirement system has fallen, their appropriation has been reduced each year. Going forward, the Health Alliance should be able to pay their portion on their own with no subsidy from the City.

Motion by Gardner, seconded by Monagle to accept the draft audit report. Voted unanimously.

Agenda Item #10 – PERAC Audit

The Board reviewed the follow-up report of the 2017-2021 audit period.

Burns stated that PERAC determined that police hazardous duty pay was being handled correctly and that retirement deductions should be withheld from that pay. The report confirmed that PERAC now considers the issue resolved.

Burns noted that the report does contain a statement that the Board is granting creditable service for members earning less than \$5,000 annually. Burns stated that that is not correct. Gardner suggested that the Board follow up with PERAC to confirm that they have an understanding of the system's current practice.

Motion by Gardner, seconded by Monagle to instruct the Director to respond to PERAC to clarify the finding around the \$5,000 rule. Voted unanimously.

Gardner thanked the other Board members and the staff for their work in getting a positive outcome to the audit finding. The Chair thanked Gardner for his work, stating that his depth of knowledge around the issue was invaluable in resolving the matter.

Agenda Item #11 – PERAC Memos

PERAC did not issue any new memos in August and the Board took no action.

Agenda Item #9 – Old Business

Monagle stated that he is still concerned with the current asset allocation strategy and that the fixed income sleeve tends to have low returns. Gardner noted that the economy had undergone a prolonged period of very low interest rates but that interest rates have now been higher over the last few years.

Agenda Item #10 – New Business

Chamblin-Foster asked if the Board could discuss developing a policy around AI bots attending and recording meetings.

Agenda Item #11 – Executive Session

Agenda Item #7 – approved

Agenda Item #8 – tabled

Agenda Item #12 - Chairman's Report

The Chair suggested that future investment review meetings start at 10:00 AM. The Board agreed without objection.

Agenda Item #13 – Executive Director's Report

Burns reported that the Election Commission would count the ballots for the Board election on September 15.

Responses to the RFP for legal services are due on September 29. Burns reported that he conducted a survey by email to determine how different systems use their attorney and distributed the results to the Board.

The following documents were also reviewed by the Board:

- Notice of Retiree Deaths
- Results of Board Attorney survey
- Correspondence from PTG re: Legal and Security Issues
- PERAC Annual Report – 2024
- Manulife Sustainable Investing Report
- Landmark Real Estate Partners VI – Notice of Final Distribution
- Manager / Vendor Disclosures: BlackRock Vesey Fund II, BlackRock Vesey Fund V.
- May Financials: General Ledger, Summary of Accounts, Trial Balance, Adjustments, Cash Disbursements, Cash Receipts, Wire Transfers, Bank Reconciliation

Monagle moved to adjourn at 12:30 PM.