

*Somerville Retirement Board*

*Review of*

*Somerville Contributory Retirement System's  
Organization, Staffing and Operations*

*Final Report*

*The Abrahams Group*

*February 2013*

# THE ABRAHAMS GROUP

FOR BETTER GOVERNMENTS

February 8, 2013

Mr. John Rourke  
Chairman  
Somerville Retirement Board  
City Hall Annex  
50 Evergreen Avenue  
Somerville, Massachusetts 02145

Dear Mr. Rourke:

We are pleased to submit the attached final report that presents our review of the Somerville Contributory Retirement System's organization, staffing, operations, workflows and job functions.

We are pleased to have assisted the Somerville Retirement Board in this effort.

Sincerely yours,



Mark D. Abrahams, CPA  
President

Attachment

52 FLANAGAN DRIVE • FRAMINGHAM, MA 01701

BETTERGOV@AOL.COM • WWW.THEABRAHAMSGROUP.COM • PHONE (508) 788-9172 • FAX (508) 788-6217

**Review of  
Somerville Contributory Retirement System's  
Organization, Staffing and Operations**

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## I. Introduction

### Background

The Somerville Retirement Board (SRB) issued a request for proposals from consulting firms to assist the Board in an organizational review of the administration of the retirement system. A key factor identifying the need for the review was the Public Employee Retirement Administration Commission's (PERAC) audit of the Somerville Contributory Retirement System (SCRS). This audit was issued in August 2011 and covered the period from January 1, 2008 to December 31, 2009.

PERAC's audit (*Finding and Recommendation Number 6*) called for a reevaluation of the system's administration with a recommendation that the SRB "establish a formal management chart and a written manual that explicitly identifies the rules, rights, responsibilities and functions of the SCRS staff. Specific duties, supervisory lines of organization and how the staff interacts with the Board must be clarified." The SRB's objective is to establish a new organizational structure that will strengthen the capacity to manage the responsibilities of the system as required by M.G.L. Chapter 32 with the goal to maximize staff efficiency, productivity and member satisfaction.

### Somerville Contributory Retirement System

The Somerville Contributory Retirement System (SCRS) is one of 106 contributory retirement systems for public employees within the Commonwealth. All retirement systems must operate consistent with MGL Chapter 32 which establishes benefits, contribution requirements, accounting, fund structure, etc. PERAC, created by Chapter 306 of the Acts of 1996 oversees all retirement systems and ensures that Board actions are in compliance with Chapter 32.

SCRS is overseen by a five member Board. Two Board members are elected by the membership, one is appointed by the Mayor, one is appointed by the other Board members and the fifth ex officio Board member is the City's accounting officer. One elected member of the Board has served as the Executive Secretary of the retirement system until January 2013.

The system has 1,134 active members, 1,262 retired members or beneficiaries and 288 inactive members. The two member entities of the system are the City of Somerville and the Somerville Housing Authority (SHA). The system has a biennial actuarial valuation which determines the annual appropriation/payment required from the City and the Housing Authority based upon a funding schedule and assumed rate of return determined by the Board. The system is 60.4% funded through 2011.

The system consistent with MGL Chapter 32 oversees six funds: the Annuity Savings Fund, the Annuity Reserve Fund, the Pension Fund, the Military Service Fund, the Expense Fund and the Pension Reserve Fund. Total receipts of all funds in 2011 were \$23 million and total disbursements all funds were \$24 million.

The systems assets are invested with six investment managers, the Board does not have an investment consultant.

## **Organization of this Report**

*Section II.* presents an overview of the current organization and staffing. *Section III.* presents our findings and recommendations.

The recommendations in our report reference various appendices. *Appendix A* presents recommended detailed job descriptions for the three staff positions we are recommending: the Executive Director, the Deputy Director and the Administrative Assistant. Each job description presents an overview of the position and its role and reporting relationships. The recommended draft job descriptions delineate the essential duties of each position, supervisory responsibility, qualifications, and education and required experience.

*Appendix B* presents the results of our survey of the Brookline, Holyoke, Newton, Taunton and Waltham Contributory Retirement Systems. This comparison presents activity indicators for each system, staffing (full time equivalents), consultants and compensation and information on spending by various expense categories for each system. We contacted the Executive Director of each system, spoke with them and each responded to our survey and shared relevant sections from their *Annual Statement* or other information and practices.

*Appendix C* presents a sample monthly budget to actual report which we recommend be provided to the Board each month. This sample is from the Essex County Retirement System.

Consistent with our recommendation for the Board to discuss investment policy and the possibility of an investment consultant or investment adviser, we have also included in *Appendix D*, the Holyoke Retirement System's Investment Advisor job responsibilities. This is a part time on staff position in lieu of an investment consultant. The investment advisor is presented as an option for future discussions of the Board.

## II. Current Organization and Staffing

The system is staffed by four full time positions: an Executive Secretary, a Systems Accountant, a Head Clerk and a Principle Clerk. The Head Clerk position has been vacant for eight months and the Executive Secretary retired effective January 11, 2013. The Executive Secretary reported directly to the Board and the Systems Accountant has reported directly to the Board. The staff of the SRB are members of the *Somerville Municipal Employees Association (SMEA)*.

The principal responsibilities of the Executive Secretary are related to membership services, counseling employees relative to the provisions of M. G. L. Chapter 32 and implementing Board decisions and directives and provision of annual statements to members as to the status of their accounts and deductions. The current job description and role does not have a strong financial focus or a focus on optimal utilization of retirement system software and automated systems. The position is not the key financial officer of the retirement system. The position does not currently oversee the position of Systems Accountant.

The Systems Accountant serves as the chief financial position of the organization and reports directly to the SRB. The position is responsible for preparation of the Annual Statement, monthly trial balance, cash receipts and cash disbursement journal, and adjusting journal entry reporting to PERAC, processing and disbursing retirement payroll, bank reconciliations (with the Treasurer), updates annuity savings deductions in TACs, maintains the general ledger and assists employees relative to retirement options.

The Principle Clerk is responsible for updating manual annuity savings cards for City and school employee deductions, depending on the category of employee this is done on a monthly, weekly or bi-weekly basis, and types new cards for new employees. The position assists the Director with disability retirements by setting up medical panels and preparing relevant forms for either ordinary or a disability retirements, counsels employees in retirement options, and recalculates three-year average of pensionable earnings when there is a contract settlement after the retirement date. The position also calculates refunds, rollovers and transfers and requests transfers from other retirement systems when an employee comes to Somerville from another contributory retirement system.

This study reviews the organization, staffing requirements, operations and job responsibilities to provide recommendations for improvement in the future. The study is not a review of the individuals who are currently on the staff of the SRB. The SRB's staff has been very cooperative and helpful over the course of the study.

The SRB does not have an investment consultant. Investment oversight and decision making has been a function of Board members. SRB has not invested any assets with the state's PRIT Fund. The SRB's \$174 Million of assets are invested with six investment managers in domestic equity, international equity, and domestic fixed income and real estate funds.

The SRB complies with monthly reporting to PERAC, submitting the trial balance, cash receipts journal, cash disbursements journal, and adjusting journal entries. The SRB has been timely for several years in submitting its *Annual Statement* to PERAC.

### III. Findings and Recommendations

#### Finding 1

##### **Executive Secretary and the Systems Accountant Both Report to the Board**

There is dual reporting to the Board by the two key staff positions. The Executive Secretary's responsibilities do not include financial reporting and oversight which is a key function of a retirement system. Currently the Systems Accountant understands that he reports directly to the Board and is accountable to the Board and not to the Executive Secretary. The Executive Secretary does not have an active role in the review of the system's finances and review of financial reporting. The Systems Accountant is the most knowledgeable in the system's finances and this has caused the direct reporting to the Board.

##### **Recommendation**

In our review of other retirement systems, their Executive Directors are skilled in the finance functions of retirement systems and have key financial responsibilities or financial oversight responsibilities. We recommend a new position of Executive Director who is both the chief executive officer and chief financial officer of the organization. The recommended job description for the Executive Director is presented in *Appendix A.1*.

The Executive Director will delegate financial responsibilities to the newly recommended Deputy Director (*Appendix A.2*) but will be the position accountable to the Board for the finances of the system. The Board itself will have responsibility for the investment portfolio.

We recommend that the Board create the position of Executive Director and adopt the job description this month and then recruit and hire the new Executive Director within 60 to 90 days as it is essential to assisting the Board in achieving the other recommendations. We further recommend that the Board as the governing body assign a priority and target date for the completion of other recommendations in this report.

#### Finding 2

##### **The Responsibilities and Compensation of the SCRS Chief Staff Position is Not Consistent with The Compensation and Pay Grades of Retirement Staff in the Comparative Group.**

Our review of other retirement systems (*see Appendix B*) reported compensation of Executive Directors as follows:

Brookline	\$138,000
Holyoke	\$85,000 to \$93,000
Newton	\$111,000
Taunton	\$70,000 to \$90,000
Waltham	\$73,000 to \$88,000

### **Recommendation**

With the retirement of the Executive Secretary, the SRB needs to recruit an Executive Director that is an experienced retirement professional skilled in the requirements of M.G.L Chapter 32, with strong management and financial skills consistent with the job description recommended in *Appendix A.1*. The Board should consider a pay range of approximately \$90,000 to \$110,000 consistent with other systems in order to attract a strong qualified pool of applicants.

### **Finding 3**

#### **Staff Serving in Dual Role as Staff and as Board Members**

There has been a history in the Somerville retirement office of SRB staff serving on the Board and two members of the staff have run for election to the Board at the same election. In any organization with a governing Board, the role of the Board is to make policy and to make independent decisions based on the information and reports provided by staff. It is important for staff to provide the best information and data to allow the governing Board to make policy decisions and to remain independent of policy decisions.

### **Recommendation**

Many entities and municipalities that have Boards or legislative bodies have charters or policies that prohibit staff from serving on the Board so as to provide a solid dichotomy between administration and policy makers and to assure that there are no conflicts. With the recent retirement of the Executive Secretary, the situation has been remedied. Chapter 176 of the Acts of 2011 which became effective in April 2012 now prohibits the staff of a retirement board from running for election to serve on that same Board.

### **Finding 4**

#### **The SRB Staff Members are currently Members of the Somerville Municipal Employees Association - SMEA (a Bargaining Unit) of the City of Somerville.**

The Somerville Contributory Retirement System is an independent entity from the City and is governed by the five member Board and operates consistent with M. G. L. Chapter 32. Board staff that we reviewed are not members of municipal unions. Retirement system staff are employees of the Board and serve solely for the benefit of the Board and the retirement system; they are not City employees. The SRB's staff are all members of the union and one is an officer of the SMEA.

### **Recommendation**

It is important to understand that the SCRS is composed of three categories of staff and retirees: those of the City, those of the Housing Authority and the staff members of the SRB office. The retirement system is totally an independent entity (organization) with the powers of assessment over two entities the City and the Housing Authority. The retirement system is not part of the City. With respect to the new Executive Director, we recommend that this position be a management (non union) position. This position has to independently review collective bargaining agreements and deal with confidential

information and is employed solely to serve the benefit of the retirement system and its members. It is not appropriate for the position to be member of a union.

Similarly the other staff of the SRB must work solely to benefit the retirement system and also deal with confidential matters and information and should not be members of officers of any collective bargaining unit of the City.

### **Finding 5**

#### **Change the Set-up of New Retirees on the Payroll to Strengthen Internal Control**

The design of the job responsibilities of the systems accountant provides that the position sets up new retirees on the City's Harpers' Millennium Payroll System, the Tyler TACs System, and the Excel Worksheet so one position has total access and control of adding a person to the retiree payroll. The position is also the one who picks up the retiree payroll checks at City hall and mails the checks. This job design presents the risk for misappropriation of assets as there is no "checks and balance", at all, in the process to assure that the only ones who are set-up for compensation are truly retirees of the SCRS. This could escape detection because all ledgers, systems and the bank statement would still reconcile even if an unauthorized party was receiving a monthly check.

#### **Recommendation**

At a minimum, a report should be prepared from the Millennium system each month of "new retirees" in the Millennium payroll for that month. If there are five new retirees, for example, on the Millennium report that should be compared to the minutes of the SRB for the names of retirees as voted by the Board to be added to the retiree payroll. The review should also compare the pension as approved by the Board to the amount on the payroll (may be prorated first month). The best design for this checks and balance would be to have the ex officio member of the Board or the chairman of the Board compare the new retirees and amounts on the payroll to the voted minutes of the Board as to that period's new retirees.

Alternatively, the SRB could have City Human Resource staff actually control the set-up of new retirees in the Millennium system. The SRB staff would need to send a personnel action form (PAF) type document requesting the set-up accompanied by the vote of the Board approving the retirement and pension, attached to the PAF.

### **Finding 6**

#### **Change Practice for Direct Deposits to Strengthen Internal Controls**

Currently the retirement office staff has authority to set-up direct deposits for pensions via the payroll system and to change direct deposit information. The staff also has access and knowledge of retiree deaths. This combination of responsibilities also presents a risk for misappropriation of assets.

#### **Recommendation**

All authorizations for direct deposits and the reason for the direct deposit set-up or change should be communicated to the City Human Resources Department via a personnel action form with the appropriate

sign off by the Executive Director and the retiree. This segregation of duties will protect the SRB for any related misappropriation of assets.

## **Finding 7**

### **Provide Monthly “Budget to Actual” Reporting for the Expense Fund and Monthly Financial Reporting**

The SRB does not receive a monthly budget to actual report for its expense fund budget. There appears to be some confusion as to whether it should be prepared according to the calendar year or municipal fiscal year (July 1 to June 30<sup>th</sup>). Without a budget to actual report the Board cannot monitor the status of activities compared to the original plan and budget.

The SRB also does not receive monthly reporting as to the status of its assets and changes in the assets’ fair market value.

## **Recommendations**

1. The Board should receive a monthly expenditure report for all categories/subcategories of expense. The report should include the following:

Approved Budget   Adjustments   Adjusted Budget   Expended/Encumbered   Balance   % Expended

The adjustments (revisions) would reflect any budget adjustment voted by the Board during the year. We have included a sample monthly report from the Essex Regional Retirement System in *Appendix C*.

2. The Board should also receive a monthly *Statement of Changes in Fiduciary Net Assets* (Income Statement) to monitor:

#### ***Additions that month:***

Monthly contributions (employer(s) and plan members),  
Net appreciation (depreciation) in the fair value of investments and interest,  
Less investment expense and  
Transfers in from other systems

#### ***Deductions that month:***

Retirement benefits  
Refunds of contributions and transfers to other systems  
Administrative expense

This report will allow the Board to have the most current information as to the financial status and change in assets. We note that PERAC only requires that investment managers report quarterly but

the local retirement Board can request monthly reporting. Some of Somerville's investment managers provide the monthly update. The Board should request this of all the managers. Then the Executive Director can provide the monthly reports.

3. The Board should also receive a monthly *Statement of Fiduciary Net Assets* (Balance Sheet) presenting the updated assets, liabilities and total net assets of the system.

## **Finding 8**

### **Reconciliation of Bank Statements to the Ledger**

The reconciliation of the cash on SCRS's general ledger to the bank statements (in custody of the City Treasurer) and cash reconciliations have been a finding in PERAC's audit and in their follow-up report of May 25, 2012. Reconciliation of cash should be current and the documentation should be easy to understand.

### **Recommendation**

We recommend that the Treasurer and Systems Accountant reconcile cash each month and provide a listing of all items in transit and evidence of the reconciliation to the Executive Director. The Treasurer should reconcile cash to the bank statements. The Systems Accountant should reconcile the general ledger to Treasurer's cash. The reconciliation should provide for the signatures of the two positions indicating that cash in the bank agrees with the ledger. The Executive Director should provide a copy of the report to the SRB each month at their meeting. In this way the Board can have evidence that ledger cash is reconciled to the bank's cash and that it is not an ongoing issue.

## **Finding 9**

### **Upgrade the Information and Forms on the Website to Improve Members Ability to Access Forms and Communicate with SRB Staff**

The SRB maintains a website that is easy to use and that provides members with some information and guidance including the Public Employee Retirement Guide, Retirees Rights and Responsibilities, the Pension Payment Schedule, some FAQs and the like. The website currently does not include the various forms that are often used by active, inactive and retired members of the system. As a result members have to call, correspond with and/or visit the SRB's office.

### **Recommendation**

To improve efficiency and reduce requests to office staff and mailings, we recommend that all forms related to member's needs and various actions be posted on the website to allow members direct access to forms so that they can complete them and directly submit to SRB. At a minimum the forms posted to the website should include:

#### **Employees/Active Members:**

Refund/Withdrawal Form

Buy Back Request

Military Time Purchase  
Beneficiary Selection Form  
Work Related Injury Report  
Retirement Estimate Request  
Change of Address  
Rollover Form for Creditable Service Purchase

**Retired Members:**

Change of Address  
Direct Deposit  
Health Insurance Deduction

**Finding 10**

**Eliminate the Manual Annuity Savings Cards**

The retirement office maintains manual annuity savings cards for each active member of the system. Each month the Principle Clerk reviews the payroll reports and hand writes pensionable earnings by category for all active members of the system on the manual cards. This recording is done on a bi-weekly basis for school department para professionals and on a weekly basis for all other school department personnel (non-teaching). The data on the cards for 2004 and prior years is not easily available elsewhere, since 2005 the information exists in the Millenium records and all employees' deductions (from earnings) are recorded in the Tyler TACs Membership File – Annuity Savings Record.

**Recommendation**

The pensionable earnings data exists in the Millenium Payroll System and the deductions from earnings are recorded each pay period (for City and school employees) are recorded in TACs. Also the deductions record (from TACs) is mailed annually to each active member as a method of verifying the deductions which are a function of the person's weekly/annual earnings.

We recommend that the SRB discontinue the manual annuity savings cards and rely on the Millennium and TACs system earnings and deductions information. The manual cards on file can at some point be scanned into a PDF format/electronic format and can be retained as a backup source for earnings prior to calendar year 2005. When they are converted to an electronic format, they can also be backed up in order to safeguard the information prior to 2005.

**Finding 11**

**Require Housing Authority Deductions to be Documented from their Payroll System**

The deductions each week for City employees are recorded in the TACs system via a bridge/import program from Milennium. This is an effective process. The Systems Accountant reconciles the data to

both the Millennium system and to the deduction check that the City Treasurer deposits each week for retirement deductions.

The SRB also has ninety-five active members at the Somerville Housing Authority. The weekly deduction information that the Housing Authority provides to the SRB staff is not from the SHA's official system produced payroll register/deductions register. Instead of sending and providing the official payroll ledger, the Housing Authority submits an Excel spreadsheet with deductions listed.

### **Recommendation**

The SRB should immediately require official payroll and deduction registers from the Housing Authority as the Excel spreadsheets are not an appropriate source document. The Housing Authority utilizes ADP for payroll. The source ADP documents should be provided to SRB staff.

Currently the deductions of the Housing Authority staff are manually entered into the TACs Membership Annuity Savings Record once a year. The SRB staff should contact ADP for a bridge program to automate the transfer of the deductions from their payroll system to TACs similar to the process that is in place for City/school employees (with Millennium payroll software). In this way, the deduction activity is imported weekly and is current for all active members and minimizes issues at year end.

### **Finding 12**

#### **Eliminate the Head Clerk Position (Currently Vacant)**

The SRB has four positions/FTEs on staff and funded in the budget. The position of head clerk is vacant. Based on our review of other retirement systems, the four FTEs are greater than the staffing levels of other systems of comparative size and even more than some larger systems. We have reviewed the comparative systems (*Appendix B*) and also the published staffing of the state's retirement systems per the Retired State, County and Municipal Employees Association of Massachusetts.

### **Recommendation**

Eliminate the Head Clerk position. We believe the SRB can be more efficient with our recommendations relating to the elimination of the manual annuity savings cards, publication of active and retiree forms on the website, automated bridging of the Housing Authority deductions, etc. Also we have recommended an upgraded Executive Director position with an emphasis on systems and finances.

We also recommend that when there are activities like mailings of newsletters, the annual updates of earnings/deductions to members, mailings related to elections and other peak period events that the SRB utilize the services of senior volunteers through the City's senior tax work off program which would provide clerical assistance for the SRB office in these few peak periods and provide an opportunity for seniors to work off their taxes consistent with the guidelines of the program.

### **Finding 13**

#### **Create a Deputy Director and an Administrative Assistant Position to Support the Executive Director**

The SRB currently has positions and pay grades consistent with the City union classifications. As referenced earlier, the Somerville Contributory Retirement system is an independent entity that is not a part of City government. SRB's staff should be similar in title and classification to other retirement systems.

#### **Recommendation**

The two positions that support the Executive Director should be similar in classification and titles to those of other retirement systems. The Deputy Director will have many of the financial functions of today's Systems Accountant but with the emphasis on financial expertise for the Executive Director. There will be stronger checks and balances and the ability to segregate certain duties between the two positions. This position could be paid in the range of \$60,000 to \$75,000 based on similar positions in other systems. The Administrative Assistants in other systems are paid across a wide range, from, \$40,000 to \$74,000.

### **Finding 14**

#### **SRB should Review the Need for an Investment Consultant or Adviser**

The scope of the study does not include a review of investments or investment performance. In the comparative, the SRB has had sound investment performance compared to other systems. Based on a review of PERAC's published listings of retirement systems, the vast majority of Boards that are not invested in the state's PRIT fund have an investment consultant as their adviser. Also, in our review of comparative systems (*Appendix B.2*) we note that the Holyoke Retirement Board has an in-house, on-staff Investment Adviser working twenty hours per week.

#### **Recommendation**

The SRB should have a discussion of the advantages of employing the services of a consultant (or part time investment advisory staff). We have attached Holyoke's job description for the Investment Adviser in Appendix D.

### **Finding 15**

#### **Document Procedures for Year-End Close and the Submittal of the May 1st Annual Statement to PERAC**

The SCRS currently does not have written policies and procedures for various processes. While current staff understand their functions and responsibilities, it is important to have written procedures in the event of turnover and as evidence of the specific steps/actions for various calculations, actions and financial processes. It is most important to have procedures in place for less frequent events such as annual reporting requirements.

## **Recommendation**

The most important process to document is the year-end close and the preparation of the Annual Statement since it is a once a year activity. The procedures should document all the processing steps and reconciliations and verifications. These procedures should also document the various system produced reports as well as all source documents that are the basis for the various schedules in the *Annual Statement*. This is also important to assure that there is consistency in categories and classifications and methods with those of prior years.

## **Finding 16**

### **Improve Allocations (Billings) of the Retirement Costs for Grant (CDBG) and Enterprise Fund Departments (Funds) with the Segregation of these Costs in the Actuarial Valuation**

The annual appropriation requirement for funding is determined per the actuarial valuation and there are two component parts the City of Somerville and the Somerville Housing Authority. The actuaries receive the membership data from the SRB staff at the end of the year. The SRB staff codes employees by department (Treasury, City Clerk, Water etc.); currently the true cost (actuarially based) is not determined by department.

## **Recommendation**

The codings by department in the TACS system should be reviewed for consistency. Once this is done, the actuaries could provide the actuarial annual cost not only for the City and for the Housing Authority and for each department/unit of City government. For example, the actuarial retirement cost of the Community Development staff could then be charged to the Community Development Block Grant, the actuarial retirement cost of the Water Department could be charged to the water fee payers/water fund and then the same for all grant or enterprise funds of the City.

## **Appendices:**

- A. Recommended Job Descriptions
  - 1. Executive Director
  - 2. Deputy Director
  - 3. Administrative Assistant
  
- B. Comparative Survey
  - 1. Activity Indicators
  - 2. Staffing
  - 3. Annual Expenses
  
- C. Sample Monthly Budget to Actual Report
- D. Holyoke Retirement System's "Investment Advisor" Job Description

## **Appendix A.1**

### **Recommended Job Description**

**For**

### **Executive Director Position**

# **SOMERVILLE RETIREMENT SYSTEM**

## **Executive Director**

As the Chief Executive Officer of the Somerville Retirement System, the Director is independently responsible for the daily administration of the Somerville Retirement Office and reports to the Somerville Retirement Board. The Director must maintain a thorough knowledge of Massachusetts General Law Chapter 32 Public Pension Law; regulations of the Public Employee Administration Commission (PERAC); Federal and State regulations including but not limited to decisions of the Equal Employment Opportunity Commission (EEOC), the Division of Administrative Law Appeals (DALA), the Contributory Retirement Appeal Board (CRAB), the Industrial Accident Board (IAB), the Internal Revenue Service (IRS) and Department of Revenue (DOR) as they may relate to Chapter 32 retirement benefits.

The Director is independently responsible for the daily administration of various types of pension benefits for active, retired and inactive members of the Somerville Retirement System. The Director is also the chief financial officer and is independently responsible for the compilation of accurate and timely financial reporting from investment managers and custodial bank for an investment portfolio in excess of \$170 million and for oversight of the annual budget. Independently responsible for the submission of routine financial reporting to various governmental agencies as mandated by Massachusetts General Laws. Independently responsible for responding to various requests from other Contributory Retirement Systems within the Commonwealth of Massachusetts.

## **Essential Duties**

- As Chief Executive Officer of the Somerville Retirement System, responsible for the enforcement of all regulations pertaining to public pension benefits, as they pertain to the membership of the Somerville Retirement System, as prescribed by MGL Chapter 32, PERAC regulations, Somerville Retirement Board supplementary regulations, appeal decisions of DALA and CRAB, EEOC decisions, IAB regulations/decisions, IRS and DOR regulations.
- Responsible for the accurate and timely reporting to Retirement Board Members of all pertinent information as it relates to the daily administration of the Retirement Office.
- Responsible for ensuring timely and accurate monthly reporting from custodial bank and several investment managers. Responsible for interpreting and recording all financial reporting relative to the assets of the Somerville Retirement System. Responsible for providing timely and accurate financial reporting to PERAC and review and approval of monthly and annual reporting to PERAC.
- Responsible for providing monthly budget to actual report to Board for the expense fund and for providing a Statement of Net Assets and a Statement of Changes in Net Assets to the Board on a monthly basis.
- Responsible to assist PERAC auditors and the City's independent auditors in the analysis and explanation of Retirement System financial records.
- Responsible for the preparation of the annual operating budget for approval by the Somerville Retirement Board.
- Responsible for interpreting the annual Actuarial Report and providing notification to the Mayor and Board of Aldermen advising annual city appropriation due to the Retirement System. Submitting annual payment due to the Somerville Housing Authority. Responsible for notifying the City Finance Director and Treasurer/Collector of the annual appropriation payment schedule and for monitoring the timely receipt of the Retirement System appropriation and notifying the Housing Authority and monitoring their monthly payments due to the system.
- Responsible for the final review of membership and financial data prior to annual submission to the actuarial consultant.
- Responsible for counseling retirement system membership, with an emphasis on maintaining fair and consistent policies of the Retirement System as legally provided. Responsible for coordinating educational seminars for the membership of the system as deemed necessary.

- Responsible for the computation and collection of pro-rata pension amounts receivable and payable from 105 contributory retirement systems within the Commonwealth of Massachusetts.
- Responsible for ensuring proper receipt of annual cost-of-living reimbursement from the Commonwealth of Massachusetts.
- Responsible for ensuring that sufficient cash is available to meet monthly pension payroll and operating expense.
- Responsible for coordinating the timely disbursement of terminated membership accounts, as regulated by PERAC and the IRS. Including the transfer of memberships to 105 contributory retirement systems within the Commonwealth of Massachusetts.
- Responsible for the issuance of 1099R forms to terminated members of the system.
- Responsible for the preparation of all relevant information for presentation to members of the Somerville Retirement Board at monthly Board meetings. Maintains the confidentiality and integrity of the reports; their findings; and conclusions until approved by the Somerville Retirement Board. Responsible for coordinating and interpreting various matters involving legal counsel.
- Responsible for accurate and timely submission of decisions of the Somerville Retirement Board to interested parties.
- Responsible for the training and supervision of retirement office staff. Responsible for the daily administration of the retirement office, ensuring staff are effectively administering retirement benefits as legally regulated. Responsible for maintaining adequate office coverage at all times.
- Responsible for maintaining and updating Tyler TACS retirement software (or comparable retirement software) - Members, Retirees, Deduction Posting, Accounting and Investment Modules. Must ensure that Retirement Office Staff are properly trained in all modules and effectively utilizing the software.
- Responsible for preparing Request for Proposals (RFPs) as directed by the Somerville Retirement Board.
- Responsible for compliance with all procurement laws and requirements.
- Responsible for conducting Retirement Board Elections as according to legal requirements.
- Responsible for providing annual Financial Statement to all members of the retirement system.
- Responsible for the processing of disability applications, including the collection and recording of various medical records from associated medical facilities. Responsible for coordinating the convening of Regional Medical Panels with PERAC. Responsible for maintaining the confidentiality and integrity of the medical reports.
- Responsible for the submission of various pension calculations to PERAC and subsequent notice of approval to members of the Somerville Retirement System.
- Responsible for processing monthly pension payroll for retirees in the Tyler software systems and in the City's Millennium payroll system. Responsible for reconciling year end taxable/non-taxable pension distribution totals and reporting such totals to the City Treasurer for the processing of year end 1099R tax forms.
- Responsible for monitoring workers compensation benefits awarded to active and retired members of the system and applying any applicable pension off-set as legally required.
- Responsible for apprising Somerville Retirement System membership of appropriate appeal rights should they be aggrieved by a decision of the Somerville Retirement Board and/or PERAC.
- Responsible for the oversight of proper enrollment of new members entering the system, ensuring that new employees of the City of Somerville meet the membership criteria as prescribed by MGL Chapter 32 and Somerville Retirement Board supplementary regulations.

- Responsible for researching and computing buyback calculations at the request of members of the system.
- Responsible for monitoring vesting status of members who retain veterans status as defined by MGL Chapter 32 and providing timely notification to such members, once vested, of their right to purchase active military service for retirement credit.
- Attend monthly Board meetings and educational workshops across the Commonwealth of Massachusetts.
- Attend meetings with city and union officials to review proposed contract language that may relate to members' retirement benefits, ensuring that contract language does not imply benefits inconsistent with MGL Chapter 32 and Retirement Board supplementary regulations.
- Responsible for the verification of dependent status and proper issue of dependents allowance to eligible pension recipients.
- Responsible for the oversight of proper receipt of Verification Form from all pension recipients as legally required.
- Responsible for the utilization of both internet and manual resources in an effort to locate inactive membership of the system and providing proper notification of available options as they relate to their inactive retirement account.
- Responsible for the custody, moving, disposal and oversight of all retirement system records, maintaining the confidentiality and integrity of the records at all times. As custodian of the records, responsible for appearing in court with said records upon receipt of subpoena.

### **Supervisory Responsibility**

Must be able to independently plan, manage and supervise an agency involved with a high volume of transactions with individuals and financial institutions. Must possess leadership as well as technical and professional accounting skills. Must be able to schedule, meet and maintain both a daily and monthly routine, assign responsibility to staff and maintain integrity of retirement and financial records. Must have the ability to train and supervise personnel.

### **Qualifications**

To effectively perform this job, an individual must possess excellent oral and written communications, ability to explain retirement law complexities and strategies to the public. Must possess analytical and problem solving skills. Should have understanding of investment markets and asset allocation strategies. Must have the ability to communicate with investment managers and custodial bank to assure accuracy of portfolio investment reports.

In order to serve the needs of the membership the individual must have excellent communication, counseling and interpersonal skills. Must have the ability to present information effectively which may be of a controversial nature, one on one, or in small groups, to outside organizations, the board and to officials of the City of Somerville and the Somerville Housing Authority.

### **Education and Experience**

Candidate should possess bachelor's degree in accounting or finance or business-related discipline from an accredited college or university plus a minimum of 5 years related experience within a MGL Chapter 32 public retirement system. Must possess knowledge of general business and accounting principals and practices. Must be proficient in the use of personal computers, including word processing and spreadsheet software and in a retirement system software application. Ability and willingness to continuously upgrade accounting and retirement benefit skills by attending in service training.

## **Appendix A.2**

### **Recommended Job Description**

**For**

### **Deputy Director Position**

# **SOMERVILLE RETIREMENT SYSTEM**

## **Deputy Executive Director**

The Deputy Executive Director of the Somerville Retirement System, reports to the Executive Director and assists the Director in the daily administration of the Somerville Retirement Office. The Deputy Director must maintain a thorough knowledge of Massachusetts General Law Chapter 32 Public Pension Law; regulations of the Public Employee Administration Commission (PERAC); Federal and State regulations including but not limited to decisions of the Equal Employment Opportunity Commission (EEOC), the Division of Administrative Law Appeals (DALA), the Contributory Retirement Appeal Board (CRAB), the Industrial Accident Board (IAB), the Internal Revenue Service (IRS) and Department of Revenue (DOR) as they may relate to Chapter 32 retirement benefits.

The Deputy Director performs day to day accounting and finance functions in order to ensure that the funds of the retirement system are properly accounted for and controlled.

### **Essential Duties**

- Assists the Director in the enforcement of all regulations pertaining to public pension benefits, as they pertain to the membership of the Somerville Retirement System, as prescribed by MGL Chapter 32, PERAC regulations, Somerville Retirement Board supplementary regulations, appeal decisions of DALA and CRAB, EEOC decisions, IAB regulations/decisions, IRS and DOR regulations.
- Responsible to maintain the automated general and subsidiary ledgers of all retirement system accounts. Maintains all accounting records including the cash receipts journal, cash disbursements journal, stocks and bonds records, and appropriation accounts.
- Responsible for the review and payment of retirement system expenses in the Tyler Accounting Systems and for preparation and submittal of the monthly warrant to director and also to board members for signature and approval.
- Responsible to post cash receipts and cash disbursements to the general ledger, posts pension fund investment activity and posts and reconciles retirement fund income.
- Responsible for preparation of journal entries as required for review and approval by Executive Director.
- Responsible for monthly trial balance, cash receipts activity, cash disbursements activity and adjusting journal entries for submittal to PERAC.
- Assists with the actuarial valuation conducted by outside independent firm by preparing required files and schedules.
- Assist PERAC auditors and the City's independent auditors in the analysis and explanation of Retirement System financial records.
- Responsible for monthly and year end closings to allow for timely reporting to PERAC and the Board.
- Responsible to reconcile general ledger activity (cash) with the City Treasurer (custodian of the SRB bank accounts) each month and report reconciliations to the Executive Director.
- Responsible to prepare monthly, quarterly and annual financial reports as required by PERAC and state and federal agencies.
- Responsible for counseling retirement system membership, with an emphasis on maintaining fair and consistent policies of the Retirement System as legally provided.

- Responsible for the timely deposit of federal tax withholding to the IRS and the submission of associated year-end reporting to the IRS.
- Responsible for the import of member payroll contributions from City's Millennium payroll system by utilizing custom Tyler Deduction Posting software. Responsible for comparing deduction import totals to cash receipts reported by Treasurer/Collector and resolving any differences. Responsible for same for Somerville Housing Authority.
- Responsible for oversight of the automated calculation of COLA and assure accurate updating of retiree payroll
- Responsible for researching and computing buyback calculations at the request of members of the system.
- Responsible for reporting new members on the City or Somerville Housing Authority payrolls with deductions withheld who have not been yet reported to SCRS via a personnel action forms.
- Responsible to develop and maintain standardized form letters for various reporting purposes.
- Responsible for the implementation of improved controls, processes and technologies for the improved input (conversion) processing and reporting of data.
- Calculate makeup payments; buy backs and redeposits including roll overs from other qualified plans and creditable service, when necessary.
- Assist the Director in maintaining and updating custom Tyler retirement software - Members, Retirees, Deduction Posting, Accounting and Investment Modules.
- Assist Director in the preparation of the Annual Statement to PERAC

### **Qualifications**

To effectively perform this job, an individual must possess excellent oral and written communications, ability to explain retirement law complexities and strategies to the public. Must possess analytical and problem solving skills and accounting and financial reporting skills.

### **Education and Experience**

Candidate should possess bachelor's degree in accounting or business-related discipline from an accredited college or university plus a minimum of 3 years related experience within a MGL Chapter 32 public retirement system. Must possess knowledge of government fund accounting, GAAP as applied to pension systems and principles of investment and finance. Must be proficient in the use of personal computers, including word processing and spreadsheet software and in a retirement system software application. Ability and willingness to continuously upgrade accounting and retirement benefit skills by attending in service training.

## **Appendix A.3**

### **Recommended Job Description For Administrative Assistant Position**

# **SOMERVILLE RETIREMENT SYSTEM**

## **Administrative Assistant**

Acting under the direction of the Executive Director of the Retirement System, the Administrative Assistant will assist the Director and the Deputy Director in the daily administration of the Retirement Office. The Administrative Assistant must maintain a thorough knowledge of Massachusetts General Law Chapter 32 Public Pension Law; regulations of the Public Employee Administration Commission (PERAC).

Assists the Director in the daily administration of various types of pension benefits for active, retired and inactive members of the Somerville Retirement System. Assists the Director in responding to various requests from other Contributory Retirement Systems within the Commonwealth of Massachusetts.

### **Essential Duties**

- Assist the Director in the enforcement of all regulations pertaining to public pension benefits, as they pertain to the membership of the Somerville Retirement System, as prescribed by MGL Chapter 32, PERAC regulations, Somerville Retirement Board supplementary regulations, appeal decisions of DALA and CRAB, EEOC decisions, IAB regulations/decisions, IRS and DOR regulations.
- Responsible for the proper enrollment of new members entering the system, ensuring that new employees of the City of Somerville and the Somerville Housing Authority meet the membership criteria as prescribed by MGL Chapter 32 and by the Somerville Retirement Board supplementary regulations. Responsible for creating and maintaining automated records and files for members.
- Responsible to research and compute buyback calculations at the request of members of the system.
- Responsible to counsel retirement system membership and to discuss and explain retirement benefits and application process to prospective retirees.
- Responsible to assist members and retirees in the completion of Change of Beneficiary Forms and updating records.
- Responsible for providing timely notification to members of their inactive account status and available options with respect to their inactive retirement account.
- Responsible for monitoring worker compensation benefits awarded to active members of the retirement system.
- Responsible for providing notification to DOR of terminated members who have requested a refund of their account and allowing 15 days for DOR to notify system of any outstanding child support lien for member.
- Responsible for processing the transfer of memberships to and from the 105 contributory retirement systems within the Commonwealth of Massachusetts.
- Responsible for assisting members to process rollovers for other qualified plans including IRAs.
- Responsible for handling routine inquiries made by mail, phone or in person exercising independent judgment and exceptional oral and written communication skills.
- Responsible for monitoring the proper receipt of the annual Verification Form from all pension recipients and reporting filing non-compliance to the Director for suspension of benefits.
- Responsible to maintain and update form letters for various purposes for communications to membership

- Responsible for maintaining an adequate office supplies and operate a variety of office machines.
- Assist the Director in monitoring vesting status of members who retain veteran status as defined by MGL Chapter 32 and providing timely notification to such members, once vested, of their right to purchase active military service for retirement credit.
- Assist the Director in the year-end issuance of 1099R forms to terminated members of the system.
- Assist the Director in the preparation and submission of required pension calculation sheets to PERAC for approval.
- Assist the Director in the preparation of monthly retirement payroll.
- Assist the Director in preparation of board meeting agenda and related required materials and documents for meetings.
- Assist the Director in the collection and recording of all medical records relating to a disability application by member and forwarding such records to the regional medical panel as appointed by PERAC. Ability to maintain the confidentiality and integrity of the medical reports. Responsible for maintaining tracking system for all disability applications including but not limited to requesting medical records from service providers, physicians, hospitals and employer information.
- Assist the Director in monitoring the deaths of members.
- Assist the Director in conducting Retirement Board Elections as legally regulated.
- Assist the Director with Requests for Proposals (RFPs) and maintain related files.
- Assist in the completion of annual actuarial data for submission to Actuary and PERAC.
- Assist in the preparation of various year-end reports required for submission to PERAC.
- Assist the Director in the daily administration of the office.
- Assist the Director in the custody, moving, disposal and oversight of all retirement system records, maintaining the confidentiality and integrity of the records at all times.
- Attend monthly Board meetings, when necessary, and attend educational workshops across the Commonwealth of Massachusetts as required.

### **Secondary Duties**

Performs other related duties as prescribed by the Director, Retirement Board Members, Mass. General Laws and PERAC.

### **Qualifications**

To effectively perform this job, an individual must possess good analytical/problem solving skills; must be able to communicate effectively with members and retirees of the system; must possess excellent oral and written communication skills; must have the self confidence to exercise independent judgement and the ability to identify and refer impending problems to the Director; must possess strong organizational skills with the ability to independently structure work assignments to ensure timely and accurate completion.

### **Education and Experience**

Candidate should possess an associate's degree in accounting or business-related discipline from an accredited college or university or a minimum of 5 years business related experience. Knowledge of and experience with M.G.L. Chapter

32 and PERAC rules and regulations is preferred, but not required. Must possess knowledge of general business and accounting principles and practices. Ability and willingness to learn Retirement System Software and related modules. Must be proficient in the use of personal computers, including word processing and spreadsheet software. Ability and willingness to continuously upgrade accounting and retirement benefit skills by attending in-service training.

**Retirement System Comparative  
2011 Activity Measures**

*Appendix B.1*

	<b>Somerville</b>	<b>Brookline</b>	<b>Holyoke</b>	<b>Newton</b>	<b>Taunton</b>	<b>Waltham</b>
<b><u>Membership:</u></b>						
1 Active Members	<b>1134</b>	<b>1272</b>	<b>1265</b>	<b>1615</b>	<b>1112</b>	<b>899</b>
2 Retired Members	<b>1262</b>	<b>853</b>	<b>926</b>	<b>1333</b>	<b>774</b>	<b>773</b>
3 Inactive Members	<b>288</b>	<b>1306</b>	<b>171</b>	<b>561</b>	<b>298</b>	<b>115</b>
4 Disability Retirees (included in Retired)	<b>178</b>	<b>182</b>	<b>79</b>	<b>152</b>	<b>96</b>	<b>106</b>
<b><u>Annual Activity:</u></b>						
5 Annual No. of Non-Disability Retirements	<b>28</b>	<b>43</b>	<b>47</b>	<b>57</b>	<b>40</b>	<b>19</b>
6 Annual No. of Disability Retirements	<b>3</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>2</b>
7 Annual No. of Retiree Deaths	<b>36</b>	<b>32</b>	<b>24</b>	<b>57</b>	<b>23</b>	<b>30</b>
8 Annual No. of Withdrawals	<b>130</b>	<b>145</b>	<b>68</b>	<b>217</b>	<b>58</b>	<b>20</b>
9 Annual New Members Enrolled	<b>98</b>	<b>203</b>	<b>120</b>	<b>190</b>	<b>66</b>	<b>77</b>
<b><u>Investment Information:</u></b>						
10 Number of Investment Managers	<b>8</b>	<b>18</b>	<b>20</b>	<b>2</b>	<b>18</b>	<b>9</b>
11 % in PRIT Fund (if any)	<b>0</b>	<b>15%</b>	<b>4%</b>	<b>92%</b>	<b>0</b>	<b>90%</b>
12 2011 Market Value (millions)	<b>\$173.9</b>	<b>\$203.4</b>	<b>\$162.7</b>	<b>\$232.8</b>	<b>\$190.9</b>	<b>\$150</b>
13 2011 Return	<b>2.49%</b>	<b>-1.39%</b>	<b>-0.09%</b>	<b>0.58%</b>	<b>0.36%</b>	<b>1.58%</b>
14 2011 Target	<b>8.25%</b>	<b>8.15%</b>	<b>8.20%</b>	<b>7.7%</b>	<b>8.0%</b>	<b>7.70%</b>
15 2007 to 2011 Annualized	<b>3.44%</b>	<b>1.25%</b>	<b>1.54%</b>	<b>1.04%</b>	<b>2.72%</b>	<b>0.67%</b>
16 1985 to 2011 Annualized	<b>8.70%</b>	<b>8.68%</b>	<b>9.03%</b>	<b>8.42%</b>	<b>9.54%</b>	<b>8.42%</b>

## Retirement System Comparative

Appendix B.2

	Somerville	Brookline	Holyoke	Newton	Taunton	Waltham
<b>Staffing:</b>						
Number of Professional Staff	2	2	1.5	1	2	2
No. of Clerical/Admin. Staff *	2	1	2	1	0.75	2
	(2 vacancies)				Part timeAA is vacant	
<b>Total Staff</b>	<b>4</b>	<b>3</b>	<b>3.5</b>	<b>2</b>	<b>2.75</b>	<b>4</b>
<b>Postions by Title and Pay Range:</b>						
Title of Position:	<b>Executive Secretary</b>	<b>Executive Director</b>	<b>Executive Director</b>	<b>Director</b>	<b>Executive Director</b>	<b>Executive Director</b>
Pay Range	\$76,000	\$138,000	\$85,000 to \$93,000	\$111,280	\$70,000 to \$90,000	\$73,035 to \$88,067
Title of Position:	<b>Systems Accountant</b>	<b>Deputy Director of Finance</b>			<b>Assistant Executive Director</b>	<b>Retirement Supervisor</b>
Pay Range	\$69,700	\$65,000			\$50,000 to \$65,000	\$55,959 to \$67,831
Title of Position:	<b>Head Clerk</b>	<b>Admin. Asst.</b>	<b>Admin. Asst.</b>	<b>Admin. Asst.</b>	<b>Clerk</b>	<b>Retirement Specialist</b>
Pay Range	\$44,416	\$51,000	\$38,000 to \$40,000	\$74,152	\$10 to \$14 per hour	\$44,662 to \$54,086
Title of Position:	<b>Principal Clerk</b>		<b>Admin. Asst.</b>			
Pay Range	\$41,310		\$38,000 to \$40,000			
Title of Position:			<b>Chief Investment Officer</b>			
Pay Range			20 Hours per Week \$60,000 to \$68,000			
Do you contract out any retirement activities? If yes to above, what functions/activities are contracted out?	No	No	No	No		No
Do you have an Investment Consultant?	No	Yes	No	No	Yes	No
Any in house staff with Investment Expertise	No	No	Yes	No		No

## Retirement System Comparative

Appendix B.3

<i>2011 Expenses:</i>	<b>Somerville</b>	<b>Brookline</b>	<b>Holyoke</b>	<b>Newton</b>	<b>Taunton</b>	<b>Waltham</b>
Board Member Stipend	\$18,000	\$0	\$12,000	\$15,000	\$15,000	\$15,000
Salaries	\$234,286	\$273,371	\$318,292	\$179,101	\$124,186	\$272,549
Management Fees	\$818,121	\$975,813	\$1,102,815	\$1,219,337	\$1,204,678	\$938,951
Custodial Fees	\$48,377	\$92,531			\$95,298	\$33,306
Investment Consultant Fees	\$0	\$115,000	\$25,000		\$60,000	\$0
Legal Expenses	\$0	\$32,601	\$25,193		\$42,716	\$21,246
Medical Expenses	\$94	\$0			\$136	
Fiduciary Insurance	\$85	\$14,864	\$14,563	\$17,045	\$11,631	\$10,893
Service Contracts	\$8,016		\$25,097	\$7,626	\$34,768	\$24,187
Rent Expense					\$34,300	
Professional Services	\$35,740		\$29,787	\$14,500	\$450	\$23,182
Education and Training	\$1,165		\$2,430	\$1,890	\$6,545	\$3,240
Adjustment Account	\$0					
Administrative Expense	\$13,579	\$25,868	\$8,854	\$17,132	\$15,832	\$82,342
Furniture and Equipment	\$4,242		\$1,168	\$588		\$1,631
Travel and Lodging.	\$1,155	\$10,735	\$3,757	\$1,878	\$13,600	\$4,585
<b>TOTAL EXPENSES</b>	<b>\$1,182,860</b>	<b>\$1,540,783</b>	<b>\$1,568,956</b>	<b>\$1,474,097</b>	<b>\$1,659,140</b>	<b>\$1,431,112</b>

**ESSEX REGIONAL RETIREMENT SYSTEM  
2012 MONTHLY EXPENDITURE REPORT**

Appendix C

Account	Approved		Adjusted	Expended	Balance	91.7% of Year
	2012 Budget	Adjustments	2012 Budget	as of 11/30/12	Remaing	Passed % of Budget Expended
<b>Personnel Costs</b>						
Board Stipend	15,000	-	15,000	13,750	1,250	91.7%
Employee Salaries	456,743	(14,181)	442,562	400,156	42,406	90.4%
Health, Life and Dental Insurance	46,625	-	46,625	13,125	33,500	28.2%
Medicare Insurance	6,675	-	6,675	5,907	768	88.5%
Unemployment Insurance Charges	25,000	-	25,000	220	24,780	0.9%
Workers Compensation Insurance	1,500	-	1,500	909	591	60.6%
<b>Subtotal</b>	<b>551,543</b>	<b>(14,181)</b>	<b>537,362</b>	<b>434,067</b>	<b>103,294</b>	<b>80.8%</b>
<b>Professional Services</b>						
Segal Advisors Consulting Fees	39,500	-	39,500	29,625	9,875	75.0%
Segal Actuarial Fees	2,500	1,000	3,500	5,000	(1,500)	142.9%
Fiduciary Insurance	26,000	-	26,000	25,059	941	96.4%
Board Secretary	3,500	-	3,500	3,250	250	92.9%
Medical Records Expense	1,000	-	1,000	-	1,000	0.0%
Employee Payroll Services	1,700	-	1,700	1,514	186	89.0%
IT Consulting Services						
IT Consulting Capital Cost	5,000	-	5,000	4,949	51	99.0%
IT Consulting Maintenance Cost	10,000	-	10,000	9,999	1	100.0%
Annual Audit	15,000	(10,000)	5,000	5,000	-	100.0%
Financial Advisory Associates	-	24,181	24,181	24,181	0	100.0%
Education, Training and Dues	5,000	-	5,000	515	4,485	10.3%
Alarm System	4,250	495	4,745	4,745	0	100.0%
Miscellaneous Professional Services	-	-	-	-	-	0.0%
<b>Subtotal</b>	<b>113,450</b>	<b>15,676</b>	<b>129,126</b>	<b>113,836</b>	<b>15,290</b>	<b>88.2%</b>
<b>Legal Expense</b>						
Michael Sacco, Attorney at Law	75,000	-	75,000	27,432	47,568	36.6%
Murphy, Hesse, Toomey and Lehane	50,000	-	50,000	30,649	19,351	61.3%
Other Legal Expense	25,000	-	25,000	-	25,000	0.0%
<b>Subtotal</b>	<b>150,000</b>	<b>-</b>	<b>150,000</b>	<b>58,081</b>	<b>91,919</b>	<b>38.7%</b>
<b>Condominium Expense</b>						
Monthly Condominium Fees	20,000	-	20,000	15,708	4,292	78.5%
Building Insurance	3,100	-	3,100	3,017	83	97.3%
Maintenance and Repair Expense	2,000	280	2,280	2,330	(50)	102.2%
<b>Subtotal</b>	<b>25,100</b>	<b>280</b>	<b>25,380</b>	<b>21,055</b>	<b>4,325</b>	<b>83.0%</b>
<b>Administrative Expenses</b>						
Retirement Appropriation	54,907	-	54,907	54,327	580	98.9%
Retirement Appropriation 2011 Error	35,623	-	35,623	35,623	(0)	100.0%
Office Supplies	12,500	-	12,500	11,355	1,145	90.8%
Travel	5,000	846	5,846	6,392	(546)	109.3%
Storage Facility	1,500	-	1,500	1,463	37	97.5%
Postage	21,000	-	21,000	14,581	6,419	69.4%
Tax Payments	-	582	582	582	-	100.0%
Annual Statements	1,300	-	1,300	405	895	31.2%
Election Expense	-	-	-	-	-	0.0%
Newsletter Expense	10,000	-	10,000	12,209	(2,209)	122.1%
Electricity	4,200	-	4,200	3,137	1,063	74.7%
Cleaning Services	5,000	-	5,000	2,686	2,314	53.7%
<b>Subtotal</b>	<b>151,030</b>	<b>1,428</b>	<b>152,458</b>	<b>142,759</b>	<b>9,700</b>	<b>93.6%</b>

**ESSEX REGIONAL RETIREMENT SYSTEM  
2012 MONTHLY EXPENDITURE REPORT**

Appendix C

Account	Approved		Adjusted	Expended	Balance	91.7% of Year
	2012 Budget	Adjustments	2012 Budget	as of 11/30/12	Remaining	Passed % of Budget Expended
<b>Computer and Office Equipment</b>						
Tyler Technologies - Database Software	15,000	8,000	23,000	23,000	-	100.0%
Computer Supplies	1,000	-	1,000	-	1,000	0.0%
Copy Machine Service Agreement	3,600	-	3,600	3,037	563	84.4%
Telephone/Internet/Web Hosting	8,100	194	8,294	8,672	(378)	104.6%
<b>Subtotal</b>	<b>27,700</b>	<b>8,194</b>	<b>35,894</b>	<b>34,709</b>	<b>1,185</b>	<b>96.7%</b>
<b>Capital and Reserve Account</b>						
Capital Account	17,700	-	17,700	17,322	378	97.9%
Reserve Fund	50,000	(11,397)	38,603	-	38,603	0.0%
<b>Subtotal</b>	<b>67,700</b>	<b>(11,397)</b>	<b>56,303</b>	<b>17,322</b>	<b>38,981</b>	<b>30.8%</b>
<b>Total Operating Expense</b>	<b>1,086,523</b>	<b>-</b>	<b>1,086,523</b>	<b>821,830</b>	<b>264,693</b>	<b>75.6%</b>
<b>Management Fees</b>						
Investment Management Fees	300,000	-	300,000	151,318	148,682	50.4%
PRIT Fund Management Fees - <i>Thru September</i>	1,190,000	-	1,190,000	922,150	267,850	77.5%
State Street Trust Custodial Fees	42,500	-	42,500	22,233	20,267	52.3%
Capital Calls	2,700,000	-	2,700,000	2,714,716	(14,716)	100.5%
<b>Subtotal</b>	<b>4,232,500</b>	<b>-</b>	<b>4,232,500</b>	<b>3,810,417</b>	<b>422,083</b>	<b>90.0%</b>
<b>Subtotal All Expenditures</b>	<b>5,319,023</b>	<b>-</b>	<b>5,319,023</b>	<b>4,632,247</b>	<b>686,776</b>	<b>87.1%</b>
<b>Other Expense</b>						
3(8)c payments	2,200,000	-	2,200,000	2,179,801	20,199	99.1%
Pensions - <i>Thru October</i>	31,500,000	-	31,500,000	27,627,686	3,872,314	87.7%
Refunds and Transfers	2,000,000	-	2,000,000	1,812,117	187,883	90.6%
<b>Subtotal</b>	<b>35,700,000</b>	<b>-</b>	<b>35,700,000</b>	<b>31,619,604</b>	<b>4,080,396</b>	<b>88.6%</b>
<b>Total All Expenditures</b>	<b>41,019,023</b>	<b>-</b>	<b>41,019,023</b>	<b>36,251,851</b>	<b>4,767,172</b>	<b>88.4%</b>

**EXHIBIT A**

**HOLYOKE RETIREMENT BOARD**

**POSITION:** Chief Investment Officer  
**REPORTS TO:** Retirement Board & Executive Director

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**GENERAL STATEMENT OF DUTIES:**

The Chief Investment Officer will provide investing expertise and advice to the Holyoke Retirement Board in concert with the provisions of Massachusetts General Law, Chapter 32, Sections 1-102 and PERAC Investment Regulations 840 CMR.

**GENERAL STATEMENT OF DUTIES:**

- Development of the Board's overall investment policy as well as a policy for specific asset classes
- Development of investment objectives
- Development of asset allocation strategies
- Analysis of Board's investments
- Review of Board's Investment Managers, at least annually, or as needed
- Monitor manager returns monthly
- Convey areas of concern regarding manager performance
- Coordination of searches for new managers
- Provide recommendations on portfolio restructuring, guideline discrepancies and style deviations.
- Expected to keep current on economic issues and new asset classes options
- At the direction of the Retirement Board, will take on other projects

**QUALIFICATIONS REQUIRED:**

- Bachelors Degree in Business Administration or related field.
- Masters Degree in Business Administration or Charter Financial Analyst (CFA) preferred.
- 5-10 years senior level investment experience.
- Working knowledge of M.G.L. Chapter 32.
- Desire to work in an environment committed to team work and quality service.
- Ability to communicate effectively and professionally with the public.
- Excellent written and verbal communication skills.
- Ability to function both independently and as a member of a team.
- Must be flexible and able to handle a multitude of tasks.
- Expected to be innovative and creative in workplace.

**OTHER REQUIREMENTS:**

- Part-time, 20+ hours per week (approximately 87 hours per month)
- Bi-weekly time sheets submitted to Executive Director
- Required to be in attendance at the retirement office at certain times which will be determined by the Board