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CAMBRIDGE, MASS.

CITY OF CAMBRIDGE

CITY HALL, CAMBRIDGE, MASSACHUSETTS 02139 • TEL. 498-9029

RETIREMENT BOARD

JOSEPH E. CONNARTON
Deputy City Clerk
Chairman

ARTHUR F. LIBITZ
City Auditor
Vice-Chairman

SHEILA M. TOBIN
Elected Member

BARBARA M. ELLIS
Executive Assistant

May 30,1984

To The Honorable The City Council:

As part of the continuing effort by the Retirement Board to keep the Council informed of its activities we herewith submit the following update. As you are aware,the so-called "Pension Reform Bill" Chapter 661 of the Acts of 1983 has been in effect for nearly a year. During this time we have experienced and dealt with many problems inherent in the creation of an agency with a broad mandate such as the Public Employee Retirement Administration (P.E.R.A.) including, but not limited to the issue recently addressed by the City Council regarding interest accrued by an employee which can no longer be returned under certain circumstances.

Another issue currently before the board based on Chapter 661 is the transfer of the stock portfolio, currently listing assets of $42M to the Public Retirement Investment Trust (P.R.I.T.) an entity within P.E.R.A., created by the above mentioned statute. As you know, the Cambridge Retirement Board opposed this section of the legislation because of the misgivings we had at the time regarding the mechanics and substance of the transfer and subsequent monitoring and input we would have if such an action were to take place. We are still opposed to such a move for the following reasons:

1. To date the P.R.I.T. board has yet to be established.
2. No Executive Director has been named.
3. No clean cut investment criteria has been defined to local boards.

4. Such a transfer would require the total portfolio for a minimum 5 year period without any input from Cambridge during this time.

5. Any future leglslation adopted by the Great and General Court relative to the divestiture of various holdings could have an adverse impact on the overall yield of our system.

Consequently the board at its regular monthly meeting held April 26th voted not to join the PPR.I.T. fund at this time. This decision will be reviewed periodically as we monitor the progress made by this new agency during the ensuing months.

We hope this information will be beneficial to you.

Sincerely yours,

Joseph E. Connarton

Joseph E. Connarton, Chairman

Arthur F. Libitz

Arthur F. Libitz, Vice-Chairman

Sheila M. Tobin

Sheila M. Tobin, Elected Member

c.c. Robert W. Healy
City Manager

James P. Maloney
Asst. City Manager

5378

Comm. from Joseph E. Connarton, Deputy City Clerk & Chairman of the Retirement Board transmitting an update Re: issues currently pending before the Retirement Board.

In City Council,

June 4, 1984

6/4/1984

Placed on File -