

## PROFILE MALDEN RETIREMENT BOARD

2007 JULY - When we first visited the Malden Retirement Board in 1995, it was during the days of three-member boards, before landmark "pension reform" legislation took hold a year later.

Dom Fermano was the ex officio member, Jim Cummings the elected member, and Wes Robbins the appointed member. Cummings, a retired firefighter, and Robbins, a retired city controller, passed away years ago. Helen Eggleston, the Board's director, has since retired and is now an active member of our Association. Twelve years have now passed, and all municipal retirement boards have since expanded to five members (Chapter 306, Acts of 1996), with Fermano, the city controller, in the same role as Malden's ex officio member, the sole remaining connection to the 1995 Board.

Serving in one of the newly created seats is Joanne Croken, who is appointed by Mayor Richard Howard. Douglas Eisner and Warren Atkinson, Jr. are the two elected members. Filling the seat, previously held by Robbins, is Ronald Hogan.

Fermano, who is the Board's chairman, has now served on the board for fifteen years. A resident of Malden, he has worked for the city for twenty-one years. As the mayor's appointee, Croken is a state employee serving as a park ranger, assigned to the State House for the Department of Environmental Management. She was first appointed to the Board in 1998 and also lives in the city. Croken is a member of the State Retirement System, with over 12 years of public service.

Police officer Doug Eisner was first elected to the Board in 2002. He is a Malden resident and has served the city for the past 18 years. Atkinson, a deputy fire chief, is the second elected member. Having been elected to the board in 1997, he fills the second seat created by the Pension Reform Act in 1996. A longtime Malden resident, Atkinson has been a firefighter for over 25 years.

Rounding out the Board as the so-called fifth member is Hogan. A private sector employee, he is a manager with Affiliated Computer Services. Hogan is also a Malden resident. Handling the day-to-day operations of the Board is Kevin Morrison. Having been the Board's retirement director for the past nine years, Morrison is the person that most members interact with when visiting the system's City Hall office. A previous state employee, he worked for the Public Employee Retirement Administration Commission (PERAC) for eleven years before transferring to the city. After having been a longtime Malden resident, Morrison now lives in Stoneham.

Laurie MacDonald is the system's senior administrator, with thirteen years with the Board. The Newbury resident had previously worked in the city's code department for six years.

Rounding out the staff is Administrative Secretary Lisa Cagno. Having spent four years working in the city's human resources department, she now has seven years of public service. She is also a lifelong Malden resident. The Board's office is easily accessible by public transportation, as the MBTA Orange Line's Malden Center stop is located directly across the street from City Hall.

### Single Manager

An important difference that sets the Malden Retirement System apart from most of the other 104 local retirement systems in Massachusetts is its longstanding policy of using one money manager to invest the \$145 million in pension assets. The deBurlo Group, a Boston based investment firm headed by Russell deBurlo, is the exclusive money manager for the Malden Board. Having now managed the system's assets for over thirty years, deBurlo's has demonstrated a solid track record of performance.

For instance, the system's annualized return since 1985 is 10.91%, nearly 3% above its target return of 8%. Malden has posted returns of 11.35% and 9.59% in 2005 and 2006 respectively. Of the 106 Massachusetts systems, the city ranks 13th over a twenty year period. At nearly 75% funded, Malden is well on its way towards achieving fully funded status by its target of 2028.

"Our system has done very well over the years with the deBurlo Group. The asset allocation and strategy suit our system's needs, and we are

on target to be fully funded by 2028," explained Morrison. "Right now our Board has chosen an approach that may be a little more conservative than other systems around the state. But given our past performance and healthy standing, there is no need to push the envelope." PERAC serves as the system's actuary, performing a new valuation once every two years. This allows the Board to keep a close eye on the system's performance and make changes as necessary. Michael Sacco is the board's attorney, while Quincy-based State Street Bank serves as custodian.