

PLYMOUTH RETIREMENT BOARD

Friday, July 29, 2022

8:30 a.m.

This Meeting Was Held Remotely

Pursuant to Governor Baker's March 12, 2020, Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §18, and the Governor's March 15, 2020, Order imposing strict limitations on the number of people that may gather in one place, this meeting of the Plymouth Retirement Board is being conducted via remote participation. No in-person attendance of members of the public will be permitted, but every effort will be made to ensure that the public can adequately access the proceedings as provided for in the Order.

Chairman Thomas Kelley called the meeting to order at 8:30 a.m. Other participating Board Members were Lynne Barrett, Gerald Coughlin, Dale Webber, and Robert Ness. Attorney Michael Sacco, Anthony Tranghese from Fiducient Advisors, Wendy Cherry, Executive Director, and Assistant Director, Karry Barros participated remotely as well.

Chairman Kelley noted that this meeting is being held remotely due to the COVID-19 Pandemic. Chairman Kelley noted that remote participation meetings have been extended to March 2023.

Roll-call vote at 8:30 a.m. to enter into Regular Session:

Mr. Kelley	yes
Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Ness	yes

Section I: Regular Business:

Minutes:

Minutes of March 25, 2022	Executive Session
Minutes of March 25, 2022	Regular Session
Minutes of April 22, 2022	Executive Session

Motion to approve Minutes as listed made by Ms. Barrett; Seconded by Mr. Webber with this comment added:

Mr. Webber referenced the April 22, 2022, Executive Session Minutes and an inquiry he told the Board he would make to the School Department regarding Pre-Employment Physicals.

Plymouth Retirement Board Meeting Minutes
July 29, 2022

Mr. Webber stated that he wants the record to reflect, the School Department does require Pre-Employment physicals.

Roll-Call vote:

Mr. Kelley	yes
Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Ness	yes

Unanimously Voted.

Warrants:

Warrant #5 Dated May 31, 2022	\$ 2,546,818.82 Final
Warrant #6 Dated June 30, 2022	\$ 2,106,563.00 Partial
Warrant #7 Dated July 31, 2022	\$ 4,044,725.80 Partial
Warrant #8 Dated August 31, 2022	\$ 2,006,556.00.00 Partial
Trial Balance as of May 31, 2022	\$ 242,002,353.28

Motion to approve Warrants as listed made by Mr. Coughlin; Seconded by Ms. Barrett.

Roll-Call vote:

Mr. Kelley	yes
Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Ness	yes

Unanimously Voted.

May 2022 Accounting Reports Presented to Board for Review:

Rockland Trust - Checking & Money Market Acct Statements
Treasurer's Reconciliation – RTC Checking & Money Market Accts
Trial Balance
Cash Receipts
Cash Disbursements
Adjustments

The Board acknowledged the May 2022, Accounting Reports as presented.

Linda Bournival from KMS Actuaries joined the meeting at 8:40 a.m.

Public Comment:

New/Old Business:

Investments:

Anthony Tranghese greeted the Board. He shared that the month of June was a terrible month for performance. Bonds were down -10.3%. Anticipation of the Federal Reserve's rate hike in June pushed rates higher in the first half of the month but, growing concerns of a recession caused rates to revert as the month progressed. Fears of slowdown further impacted credit markets and spread sectors generally underperformed. Equity markets globally added further to losses in June, ending what has been a difficult first half of the year. Concerns included high and persistent inflation, weakening economic data, hawkish central banks, and continued supply issues. European markets were lower due to high energy prices following further sanctions on Russia and a strengthening US dollar, which also weighed on emerging market equity returns.

The total Fund was at \$218,633,589 as of June 30, 2022. Mr. Tranghese told the Board that last year at this time, the value of the Retirement Fund was at \$230 Million and, even going back as far as January 2022, the Fund value was at \$257 Million.

Mr. Tranghese reviewed the June 2022 Flash Report. He informed the Board that Black Rock, added in September 2021, Year-to-Date performance was -5.4% vs. Blmbg. U.S. Aggregate at -10%. He added that this was a good choice as it gave added protection. Boston Trust Year-to-Date performance was at -14.8% vs. Dow Jones U.S. Small-Cap Total Stock Market Index at -23.4%. He noted that in periods like we are in now, they add protection; however, in up-markets, they do not perform as well. Aristotle and Lazard both underperformed, Aristotle, bringing more disappointment as they usually perform better in this type of Market. Mr. Tranghese told the Board that International did slightly better by the benchmark and Private Equity continually performs well. He added that the Private Equity numbers that they are looking at are really from the March 31, 2022, Valuation. We will see the Private Equity mark down as we move toward the June 30, 2022, numbers.

Mr. Tranghese told the Board that the OPEB Fund was at \$8,587,208 as of June 30, 2022. Year-to-Date performance through June 30, 2022, was -16.3% vs. the OPEB Index Policy at -16.0%.

Mr. Tranghese introduced Linda Bournival from KMS Actuaries.

January 1, 2022 Actuarial Valuation & COLA Increase Study:

Ms. Bournival greeted the Board and stated that she is the founder and owner of KMS Actuaries. She informed the Board that she is ready to review the January 1, 2020, and January 1, 2022, Valuations and have a discussion about long term.

Ms. Bournival explained that she did an off-schedule valuation last year and now she is completing an updated valuation for the current year. She informed the Board that she created a few schedules for Board review; however, there is no rush as PERAC's deadline to choose a Funding Schedule is not until October 31, 2022. She added that the last two (2) years of returns have exceeded the expectation of 7%.

Gar Chung, reporter for Financial Investment News, joined the meeting at 9:10 a.m.

Ms. Bournival told the Board that she is not recommending the Board make a change to the 7% investment return.

Mr. Traghese left the meeting at 9:28 a.m.

Ms. Bournival noted that the Board reduced the Annual Appropriation from 8% to 5% for 2022, and 2023.

Chairman Kelley explained that the Retirement Board made the decision to drop to 5% for 2022, and 2023, with the hope that jobs in the Town might be saved.

Ms. Bournival reviewed the slide show she prepared.

Chairman Kelley asked Ms. Bournival which schedule she recommends for the COLA increase and what the impact would be if the valuation went from 7% to 8%.

Ms. Barrett stated she would not recommend going to 8%.

Ms. Bournival agreed with Ms. Barrett.

Ms. Barrett stated that she would like to keep it at 7%, and then asked if there was a way to go to 7.75%, not move beyond 2035, and be fully funded.

Ms. Bournival told the Board that 7.75% will not move the needle much. She added that she would like to focus on the 2020 Valuation and the 2020 schedule.

Ms. Barrett shared her concern that for a long time the Town has been able to fund the Appropriation at the 8% rate; however, there are other items in the budget that have increased significantly. She added that she would like to see an A-4 Schedule which includes staying at 7% and paying off unfunded liability to 2035. She added that the payroll growth percentage is at 3.5% and asked if that number were to go higher, what the impact would be.

Plymouth Retirement Board Meeting Minutes
July 29, 2022

Ms. Bournival stated that next time we could see a loss due to salary increases, she explained that the schedules do not consider the tier 2's and the employees that are paying in 9%, which are the majority at this point. This will change where we begin in the next valuation, these increases need to be anticipated.

Ms. Barrett informed the Board that the Town's payroll has increased significantly, and she would like to see between 7% and 7.5%.

Ms. Bournival stated that the Board could do the 7% and see how it works out.

Ms. Barrett told Ms. Bournival that is what she would like to do.

Ms. Bournival told the Board that there is no pressure to take a vote today.

Motion to have Ms. Bournival create an A-4 Schedule using a 7% valuation rate and allowing Ms. Bournival flexibility with the numbers made by Ms. Barrett; Seconded by Mr. Coughlin for discussion:

Mr. Webber asked if any of the schedules Ms. Bournival prepared include a COLA increase and, do any of the schedules push out past 2035.

Ms. Bournival stated that the schedules would likely not push out past 2035. She added, it will cost approximately \$1.9 Million in liability for the COLA Base to increase to \$15,000.00. She added that she will create these increases and produce another schedule using 2035.

Ms. Barrett amended her motion: Motion to have Ms. Bournival create a A-4 Schedule using a 7% Valuation and not going out past 2035.

Mr. Webber stated he would like to amend that motion to state: Motion to have Ms. Bournival create an A-4 Schedule using a \$15,000.00 COLA Base and 5% COLA increase for FY/22-23. He added that twenty-three (23) communities have increased their COLA Base however; the Massachusetts Retiree Association is recommending going from 3% on the base to 5% on the base for FY/2023 only.

Ms. Barrett asked if this is a Local Option.

Mr. Webber stated that it is a Local Option that requires Select Board approval as well as Retirement Board approval.

Ms. Barrett asked if this legislation has been voted.

Mr. Webber told the Board that the Governor included this language in a last-minute amendment. He added that he is trying to include all issues that could have an impact.

Plymouth Retirement Board Meeting Minutes
July 29, 2022

Ms. Barrett asked Ms. Bournival if she would create a schedule that includes a 5% COLA increase and a second schedule showing the 3% COLA.

Mr. Webber asked if Ms. Barrett would make her motion and then he will make a separate motion to increase from 3% to 5% for FY 2023.

Motion to have KMS Actuaries create a schedule using a \$16,000.00 COLA Base increase year over year using a 7% Valuation rate made by Ms. Barrett; Seconded by Mr. Coughlin.

Roll-Call vote:

Mr. Kelley	yes
Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Ness	yes

Unanimously Voted.

Motion to amend the Board's earlier COLA vote to increase the normal 3% COLA to a total of 5% COLA for FY/2023, paid retroactively back to July 2022 made by Mr. Webber. Seconded by Chairman Kelley.

Discussion:

Ms. Barrett asked why a vote is being taken today on the COLA increase.

Chairman Kelley stated that it must be done and he does not see a reason not to vote it today.

Ms. Barrett asked if the Board knows what the cost will be.

Mr. Webber stated that the legislation has been voted and the MA Retirees Association is asking that no one challenges this, or it could be vetoed.

Mr. Ness asked, if, before a vote is taken, it is necessary to know how much this will cost and, does this have anything to do with the discussion we are having with Linda.

Ms. Barrett informed the Board that before voting the yearly COLA, the Board is required to post the meeting thirty (30) days in advance and, we do not even have this listed on the agenda.

Mr. Webber stated that he will withdraw his motion and post-pone this discussion until the cost is determined and the remaining questions are answered.

Ms. Bournival stated that the extra "2%" is not just a one-time payment, it is an ongoing cost that needs to be determined.

She added that it might make sense to incorporate the cost into the next valuation. She informed the Board that she does not think it prudent to add two (2) improvements.

Mr. Webber stated that he would like for the Board to focus on the additional 2% COLA increase and not the full 5% COLA as he is concerned about Plymouth Retirees thinking they are not entitled to the same benefit as retired Teacher's and retired employees of the State. He added, maybe it is best to look at the \$16,000.00 COLA Base and disregard the additional 2% the State and Teacher's granted. Mr. Webber asked if it is possible to have a meeting prior to the next scheduled meeting in August if necessary.

Chairman Kelley stated that it is always possible for the Board to call an additional meeting.

Motion to have Ms. Bournival create an A-5 Funding Schedule reflecting a 7% long term rate of return, assumed increase in COLA Base to \$16,000.00, effective July 1, 2023, a one-time additional 2% COLA effective 7/1/22, and be fully funded by 2035, made by Ms. Barrett. Seconded by Mr. Webber.

Roll-Call vote:

Mr. Kelley	yes
Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Ness	yes

Unanimously voted.

Ms. Bournival thanked the Board and left the meeting at 10:52 a.m.

PERAC Memos:

Memo #17/2022:	Mandatory Retirement Board Member Training – 3 rd Quarter 2022
Memo #18/2022:	Expiration of Open Meeting Law Waiver
Memo #19/2022:	Extension of Open Meeting Law Waivers
Memo #20/2022:	Reinstatement to Service under G.L. c. 32 sec 105

The Board acknowledged the PERAC Memo's as listed.

Section II: Membership:

New Hires:

Town:

- 9% Antone, Ronda, Group 1, Administrative Secretary
Perm. Full-time: \$814.24 weekly
Start Date: June 13, 2022
- 9% Dayie, Katherine, Group 1, Finance Administrator
Perm. Full-time: \$832.62 weekly
Start Date: July 1, 2022
- 9% Dutra, Eliomar, Group 1, Laborer-Cemetery
Perm. Full-time: \$931.72 weekly
Start Date: July 18, 2022
- 9% Flynn, Connor, Group 4, Police Officer
Perm. Full-time: \$1,316.01 weekly
Start Date: July 18, 2022
- 9% Ford, Daniel, Group 4, Police Officer
Perm. Full-time: \$1,401.00 weekly
Start Date: July 11, 2022
- 9% Freeman, Cole, Group 1, Laborer
Perm. Full-time: \$931.72 weekly
Start Date: August 8, 2022
- 9% Gallerani, Anthony, Group 1, Inspector/Lister
Perm. Full-time: \$1,134.92 weekly
Start Date: July 11, 2022
- 9% Ludwig, Scott, Group 1, Town Surveyor
Perm. Full-time: \$1,717.45 weekly
Start Date: June 22, 2022
- 9% McElreath, Kelly, Group 1, Town Clerk
Perm. Full-time: \$1,867.29 weekly
Start Date: July 14, 2022
- 9% Mone, Cheryl, Group 1, Administrative Secretary
Perm. Full-time: \$930.92 weekly
Start Date: July 18, 2022

Plymouth Retirement Board Meeting Minutes
July 29, 2022

- 9% Reil, Mark, Group 1, Climate Resiliency/Sustainability Planner
Perm. Full-time: \$1,830.26 weekly
Start Date: July 5, 2022
- 9% Senesi, Anthony, Group 1, Administrative Assistant
Perm. Full-time: \$1,248.98 weekly
Start Date: July 5, 2022
- 9% Tocco, Jeff, Group 1, Administrative Assistant
Perm. Full-time: \$972.29 weekly
Start Date: August 1, 2022

School:

- 9% Crawford, Joseph, Group 1, Custodian
Perm. Full-time: \$1,840.00 bi-weekly
Start Date: June 27, 2022

Motion to approve Town and School New Hires as listed made by Ms. Barrett; Seconded by Mr. Webber.

Roll-Call vote:

Mr. Kelley	yes
Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Ness	yes

Unanimously voted.

Refunds:

School:

Arthurs, Denise, Group 1, Paraprofessional
Nine (9) Months Creditable Service (9/5/2007-6/20/2008)
Total Refund Including FWT: \$501.60

PHA:

Robbins, Cari, Group 1, Program Coordinator
Eleven (11) Months Creditable Service (1/13/2020-12/26/2020)
Total Refund Including FWT: \$3,685.01

Plymouth Retirement Board Meeting Minutes
July 29, 2022

Motion to accept School and PHA Refunds as listed made by Ms. Barrett; Seconded by Mr. Webber.

Roll-Call vote:

Mr. Kelley	yes
Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Ness	yes

Unanimously voted.

3(8)(c) Liability:

Christine Blanchard, Group 1, Former School Department Aide from September 15, 1988 through April 25, 1989, is currently a member of the MA Teachers' Retirement System. Ms. Blanchard took a refund of her deductions on June 1, 1989. If proper repayment of deductions and interest is made, will the Board take 3(8)(c) Liability for seven (7) months of service?

Robin Hess, Group 1, Former Part-time Employee for the Plymouth Airport, is currently a member of the MA Teachers' Retirement System and currently works for the Town of Plymouth School System. Ms. Hess worked part-time from December 1990 through March 1994. Ms. Hess would like to purchase her part-time service. If proper payment of deductions and interest is made, will the Board take 3(8)(c) Liability for seven (7) months of creditable service?

Lauren Mulligan, Group 1, Former Special Needs Aide, is currently a member of the MA Teachers' Retirement System. Ms. Mulligan took two refunds of her deductions: one (1) month of service – refunded February 28, 2001; one (1) year, eight (8) months of service – refunded April 30, 2006. If proper repayment of deductions and interest is made, will the Board take 3(8)(c) Liability for one (1) month of service and one (1) year, eight (8) months of service?

Chairman Kelley asked if there were any issues needing to be discussed before the 3(8)(c) Liability is voted.

Ms. Cherry told the Board that all three (3) listed meet the criteria to approve.

Motion to approve 3(8)(c) Liability as listed made by Ms. Barrett; Seconded by Mr. Webber.

Plymouth Retirement Board Meeting Minutes
July 29, 2022

Roll-Call vote:

Mr. Kelley	yes
Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Ness	yes

Unanimously voted.

Retirements:

Town:

Blanchard, Joseph, Group 1, DPW Highway Foreman
Ten (10) Years, Five (5) Months Creditable Service
Superannuation Retirement: opt c
Retirement Date 7/22/2022

Stundis, Louise F., Group 1, Animal Control Officer
Thirty-Five (35) Years, Eleven (11) Months Creditable Service
Superannuation Retirement: opt b
Retirement Date: July 23, 2022

Motion to approve Town Retirements as listed made by Ms. Barrett; Seconded by Mr. Webber.

Roll-Call vote:

Mr. Kelley	yes
Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Ness	yes

Unanimously voted.

Next Meetings:

August 26, 2022

Adjourn:

Plymouth Retirement Board Meeting Minutes
July 29, 2022

Motion to adjourn meeting at 10:55 a.m. made by Mr. Webber; Seconded by Mr. Ness.

Roll-call vote:

Mr. Kelley	yes
Ms. Barrett	yes
Mr. Coughlin	yes
Mr. Webber	yes
Mr. Ness	yes

Unanimously Voted.

Respectfully submitted,

Karry A. Barros
Assistant Director

Plymouth Retirement Board:

Dated: November 18, 2022

Thomas Kelley, Chairman

Lynne Barrett

Gerald Coughlin

Dale Webber

Robert Ness