

PLYMOUTH RETIREMENT BOARD
Friday, May 31, 2024
8:30 a.m.
212 South Meadow Road, Suite 3
Plymouth MA 02360

This meeting of the Town of Plymouth Retirement Board was held in-person at 212 South Meadow Road, Unit #3, Plymouth, Massachusetts 02360

Chairman Kelley called the meeting to order at 8:30 a.m. Other participating Board Members were Lynne Barrett, Dale Webber, Robert Ness, and Sharon LaRosa. Linda Bournival from KMS Actuaries, Executive Director, Wendy Cherry, and Assistant Director, Karry Barros, were present as well.

Attorney Michael Sacco joined the meeting at 8:35 a.m.

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

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

Unanimously Voted.

Section I: Regular Business:

Minutes:

Minutes of April 26, 2024	Regular Meeting
Minutes of April 26, 2024	Executive Session

Motion to approve Minutes as listed made by Ms. Barrett; Seconded by Mr. Webber.
Unanimously voted.

Warrants:

Warrant #3 Dated March 31, 2024	\$ 2,688,221.42 Final
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Warrant #4 Dated April 30, 2024:	\$ 38,192,148.22 Partial
Warrant #5 Dated May 31, 2024	\$ 306,052.29 Partial
Warrant #6 Dated June 30, 2024	\$ 6,955.59 Partial

Trial Balance as of March 31, 2024: \$256,386,724.57

Motion to accept Warrants as listed made by Ms. Barrett; Seconded by Mr. Webber.
Unanimously Voted.

March 2024 Accounting & Banking Reports Presented to Board for Review:

Rockland Trust Checking & Money Market Acct Statements
Rockland Trust Checking & Money Market Acct Treasurer's Reconciliations
Trial Balance
Cash Receipts
Cash Disbursements
Adjustments
Account Reconciliation for period January 1, 2024 - March 31, 2024

Motion to approve the March 2024, Accounting, Banking Reports, and 1st Qtr. Reconciliation as listed made by Ms. Barrett; Seconded for discussion by Mr. Webber.

Discussion:

Mr. Ness asked for an explanation of the cash disbursement in the amount of \$335,673.02 to the Massachusetts Teachers Retirement Board and noted that the transfers he has seen in the past are much less than this amount.

Ms. Cherry stated that this disbursement was payment for a 3(8)(c) invoice and not a transfer of a member's annuity saving fund to the Massachusetts Teachers' Retirement Board. She then explained that every Retirement System is invoiced yearly for 3(8)(c) liability. This means that each retirement system is responsible for paying for the portion of time a member worked in their system although the member then retired from a different system. She added that this 3(8)(c) bill is reimbursement for several retirees that worked for the Town of Plymouth for a portion of their career but actually retired from the Massachusetts Teachers' Retirement System.

Motion to approve the March 2024, Accounting, Banking Reports, and 1st Qtr. Reconciliation as listed made by Ms. Barrett; Seconded for discussion by Mr. Webber.

Unanimously voted.

Public Comment:

None

New Business:

Mr. Webber noted that the Trial Balance of the System is stable at this time and asked the Board to consider outfitting the Board and Staff with outer wear that has the Plymouth Retirement Board logo on it. He showed the Board a catalogue that he has looked through that shows items such as jackets and vests that would be suitable to wear to conferences and local/regional meetings the Board attends. He suggested that there be an expenditure cap of \$2,000.00 for this merchandise.

Motion for the Board to purchase outerwear for Board Members and staff with the Town of Plymouth Retirement Board logo on it made by Mr. Webber. Seconded by Mr. Ness for discussion.

Discussion:

Chairman Kelley shared that he is not sure it is a good idea to spend money at this time for outerwear with the Board's logo on it.

Mr. Webber told the Board that there are many Town Departments that wear apparel identifying that they work for the Town of Plymouth and the department they work for. He added that the Select Board wears this apparel.

Ms. Barret explained that there are departments that do this to identify themselves when working outside of Town Offices such as Inspectional Services and the Travel IT Department. She added that some employees wear identification cards and lanyards while others wear apparel.

Chairman Kelley said he will agree to do what the rest of the Board decides.

Ms. LaRosa stated that she is not wanting to wear Board apparel.

Mr. Webber informed the Board that the library is now considering this as many other divisions are already wearing this apparel.

Ms. Barrett told the Board that she does not feel it necessary to purchase Board apparel.

Mr. Webber shared that the pricing is reasonable. A vest or jacket is between \$50 - \$70.

Ms. LaRosa asked Mr. Webber if he would review the catalogue and bring back some suggestions for the Board to consider.

Mr. Webber stated that he will do that.

Motion tabled for a future meeting.

Public Hearing:

Travel and Credit Card Use Regulations

Ms. Cherry asked Attorney Sacco to review the draft proposal he submitted to the Board.

Attorney Sacco referenced PERAC Memo #13 regarding the Travel Regulation and the removal of the credit card provision in the regulation. Previously, Board credit cards were to be used exclusively for travel, however, many Boards were using their credit cards for office supplies and other Board related expenses. PERAC has removed the credit card provision from the Travel Regulation and now it is necessary to have a stand-alone credit card regulation in place. Attorney Sacco informed the Board that his proposal increased meal reimbursement to \$100.00 a day and added language that a CPI review completed every January to have a metric in place that will allow an increase going forward. He added that both draft proposals, a stand-alone Credit Card Regulation and the review each January of the meal reimbursement should be acceptable to PERAC.

Ms. Barrett asked Attorney Sacco if she read in his draft that the only individual permitted to have a Board credit card is the Executive Director.

Attorney Sacco answered in the affirmative and then informed the Board that although the regulation was drafted that way, the Board can change it to fit their needs. He added that he can amend it to state the Executive Director, Chairman, and Vice Chair are permitted to have the Board Credit Card.

Ms. Barrett shared that she has a Board Credit Card because she had been attending the Legislative Conferences in Washington D.C. for several years and using the card while she was there made things easier for her.

Attorney Sacco said he will amend if the Board wants to take a vote to approve with the amendment.

Ms. Barrett stated that she would like the regulation to be amended to include the Chair and Vice Chair as well as the Executive Director.

Motion to approve the proposed Travel Regulation and amended Credit Card Regulation to state the Executive Director, Chair, and Vice Chair be permitted to have a Board Credit Card made by Chairman Kelley; Seconded by Ms. Barret.

Roll Call Vote:

Mr. Kelley	yes
Ms. Barrett	yes
Mr. Ness	yes
Ms. LaRosa	yes

Mr. Webber abstained.

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Voted by Majority.

Mr. Ness noted that there are some grammatical errors in the draft regulation that need to be corrected and listed each for Attorney Sacco.

Motion to amend previous motion to include the correction of grammatical errors in the draft regulation made by Chairman Kelley; Seconded by Ms. Barrett.

Roll Call Vote:

Mr. Kelley	yes
Ms. Barrett	yes
Mr. Ness	yes
Ms. LaRosa	yes

Mr. Webber abstained.
Voted by Majority.

Attorney Sacco informed the Board that there is no movement on pending litigation so holding an Executive Session is not necessary this month. He reminded the Board that both pending cases this Board has have been in litigation for more than ten (10) years. He then shared that a State Retiree sued CRAB in Federal Court due to a year and half delay on a decision.

PTG Contract Proposal:

Board to discuss the PTG extended contract proposal.

Attorney Sacco told the Board that PTG (Pension Technology Group), the Board's retirement software provider, is sending out a new contract that includes a pricing amendment of a 7% discount if a five (5) year commitment is made with three (3) years paid up front. The former contract renewal practice was that the old agreement remained in effect year to year and PTG just updated their pricing to include a price increase. Attorney Sacco informed the Board that he is advocating for his clients not to take the proposed 7% discount and pay three (3) years up front. If PTG should go out of business at any time in that three (3) year period, the Board would lose that prepaid money. He stated that the Board has the option to decline the discounted pricing offer and just sign for another year. He then added that he has no issue with the contract, just paying for three (3) years in advance.

Motion to sign the new contract with PTG declining the discount and paying three (3) years in advance made by Ms. Barrett; Seconded for discussion by Mr. Ness.

Discussion:

Mr. Ness asked if after signing on for another year, can the Board renegotiate if PTG is losing clients.

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Attorney Sacco told the Board they will have a sixty (60) day window, if in October, the Board decides not to renew for another cycle in January, they would have those sixty (60) days before the new cycle begins. He recommended that the Board take a look at the Bay State contract in September and decide if they want to stay with PTG or give Bay State a try. He shared that he has heard no complaints from the Boards that have switched already and added that if in October the Board decides to keep PTG for another cycle, they can issue an RFP next June and go out for bids.

Motion to renew the contract with PTG declining the discount and three (3) year prepayment made by Ms. Barrett; Seconded by Mr. Ness.
Unanimously voted.

Overtime as Regular Compensation:

Patrick Daly, OPEIU Local 6 Business Manager, will be present to discuss his questions regarding overtime as regular compensation.

Attorney Sacco informed the Board that Mr. Daley cancelled the meeting with the Board to discuss overtime and regular compensation and asked if the Board had any questions.

Chairman Kelley asked if the Board should expect this issue to come up in the future.

Ms. Barrett stated that there is nothing that the Board can do to assist with the issue.

Mr. Webber asked if the employee who brought the issue forward is now satisfied.

Ms. Barrett stated that they are working on it.

Attorney Sacco explained that all that needs to be done is to determine how much additional time the second position is equal to and then, factor those hours into the base pay for the position.

Ms. Barrett shared that this is what they are working on now.

Mr. Webber asked Ms. Barrett if the Town is working with OPEIU and Patrick Daley on this issue.

Ms. Barrett answered in the affirmative.

Attorney Sacco thanked the Board and left the meeting at 9:10 a.m.

Anthony Tranghese, from Fiducient Advisors, joined the meeting via conference call at 9:15 a.m.

Linda Bournival, FSA, EA, MAA, Consulting Actuary from KMS Actuaries LLC began her presentation to the Board at 9:16 a.m.

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Ms. Bournival greeted the Board noting that this was her first time meeting the Board in person as she began working with the Board during the period that their meetings were held online exclusively. She told the Board that she is the owner of KMS Actuaries LLC for the past thirteen (13) years but has been doing this work for a long time. She then shared her employment history which included Buck Consultants and Mercer. She joked about the numbers being much smaller when she started in the industry but shared that she truly enjoys business ownership.

Ms. Bournival reviewed her 2024 Action Plan explaining that today, the Board would review the System's experience since 2022, discuss alternative assumptions and methods, discuss the appropriation for FY/2026 and beyond, and select a Funding Schedule. Once the Board has selected a Funding Schedule, KMS will finalize the January 1, 2024, Valuation Report and prepare the December 31, 2023, GASB 67/68 Report (based on the January 1, 2024, Valuation.) Ms. Bournival told the Board that a Valuation is done every two (2) years and explained the process of working with Ms. Cherry to get the demographic data for the membership and retirees. Ms. Bournival told the Board that what is "in the bank" has the biggest impact. Each funding schedule lives for two (2) years and the purpose of the schedule is to pay off the unfunded liability.

Chairman Kelley stated that the System should be fully funded by 2035, and if this happens there would be approximately \$20 Million that would be available to then add to the OPEB Fund.

Ms. Bournival told the Board that the statute allows for the payments to increase every year. She shared that the goal is to select a Funding Schedule and once it is selected, KMS prepares a full valuation that is sent to PERAC for approval. Once the Board receives an approval letter, the GASB report then goes on the Town's Financial Statement.

Ms. Bournival reviewed the 2022 and 2023 events that have an impact on the Valuation. She discussed the market value and returns for each year vs. what the expected return was. She informed the Board that there was an overall loss but, actuaries use a method called "Actuarial Valuation Smoothing" in which only a certain percentage of gains or losses are recognized. This helps to keep volatility in tow. She shared some of the demographic issues during this period that had the largest impacts. Salary increases, Accidental Disability Retirements and those members transferring in from another system contributed to the losses and high termination numbers contributed to the gains.

Mr. Webber asked if the gain due to more terminations than expected cancelled out the loss due to new entrants with past service.

Ms. Bournival stated that every gain ended in a loss so, not necessarily. She added that the COLA base increase for retirees and mortality improvement were other factors built into the model. There are many assumptions applied and added to the model.

Chairman Kelley asked if an employee has a thirty-five (35) year career and contributes at the 9% and 2% rate, are they funding most of their benefit.

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Ms. Bournival explained that you must meet your funding in order for that statement to be true. She added that this comment from PERAC applies strictly to Group 1 employees, Group 4 employees do not fund their own benefit.

Ms. Barrett mentioned that the number of actives on the chart that Ms. Bournival provided is 874 and the number of retirees is 861, which is very close to a 1-person ratio. She then asked Ms. Bournival if the Town decided to remove an entire department and privatize, would there be an impact. She added that due to the number of vacancies since 2020, they are talking about privatizing certain things.

Chairman Kelley noted that the Town did this with the sewer plant and it is not in good shape now.

Ms. Barrett stated that there is analysis being done.

Ms. Bournival stated privatizing would have an effect.

Ms. Bournival told the Board that the support ratio nationwide is 1.25 person.

Mr. Webber noted that in 2008, there were 1089 actives and in 2024, there are 874.

Ms. Barrett stated that the new retirement rule did not come into effect until April 2012.

There was discussion regarding major assumptions such as Administrative Expenses and 3(8)(c) Reimbursements which Ms. Bournival told the Board must be funded or you are only pushing the unfunded liability out. She then briefly spoke about the salary scales changing.

Ms. Barrett stated that all contracts were adjusted in 2023, they were equity adjustments.

Ms. Bournival explained that she did not change the assumption due to this being a one-time event. She then touched on the mortality piece explaining that each generation has their own life expectancy and added that the younger generation lives longer. She did note that the model showed in 2018, that younger people were dying younger and in 2020, people in general were not living longer.

Ms. Bournival noted the 7% investment return assumption and told the Board there was no change as she recommends keeping it there. She added that this is the most impactful assumption. She discussed the Annual Appropriation, the employer normal cost and the value of benefits earned in the current year. She noted that the difference is what the employer owes.

Ms. Bournival then reviewed each of the five (5) schedule options provided to the Board, noting that Schedule A2 has the lowest limit that may be applied.

Motion to adopt KMS Actuaries draft Funding Schedule A-2 made by Ms. Barrett; Seconded by Mr. Webber.
Unanimously voted.

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Ms. Bournival told the Board that it is good practice to do a periodic review of the OPEB Plan experience which includes liabilities and assets as well as a review of assumption methods.

Mr. Ness asked how changes in the PEC agreement saved money for the Town. He noted that prescriptions are more expensive now.

Mr. Webber explained that there were tier changes made to the prescription plan and there are cost savings if you move your prescriptions from your local pharmacy to Express Scripts.

Ms. Bournival informed the Board that the plan change of BCBS Blue Medicare Rx replacing the prescription drug coverage included in both Medicare plans, effective July 1, 2023, resulted in a total OPEB liability decrease of over \$205 Million. She also informed the Board that the Net OPEB Liability was \$576,415 as of June 30, 2023, and the funded ratio was 1.84%. She told the Board that there is no referral on this kind of plan change under the plan sponsor. She explained that there are two (2) pieces to look at, the first is how much money is in the bank and the second is what is the future plan. She noted that the tables show annual contributions of at least 1% of covered payroll salary since 2016.

Ms. Barrett stated that this is language in the Financial Policy. She added that it can also be included when the policy is updated as well as including the money from paid liability.

Ms. Bournival told the Board that in the beginning funding the OPEB Fund is difficult. It is a loan, and the Plan Sponsor has little control over health insurance cost.

Chairman Kelley asked Ms. Barrett if there is a formal written policy regarding the contribution of 1% of payroll added annually.

Ms. Barrett stated that it is written in the Financial Policy on the Town's website under Finance and the Town has a line item in the budget to fund it. The plan is to fund at least 1% and if there is any amount in excess of 1% there will be a review. She added that this has been approved by the select Board and Finance Committee, it is a yearly line item.

Chairman Kelley asked Ms. Cherry to get a copy and put it in the file.

Ms. Cherry stated she would get a copy from the website and put it in the Retirement Board OPEB Information File.

Ms. Barrett informed Ms. Bournival that the Life Insurance contribution rates have been changed to mirror the Health Insurance rates, for her future reference.

Chairman Kelley asked what the cost is to have health insurance.

Ms. Barrett stated that it is approximately \$24,000.00 per family per year. She added that the actual could be slightly higher or slightly less but on average 35% of the salary.

Ms. Bournival asked if there were any questions and there were not.

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The Board thanked Ms. Bournival and she left the meeting at 11:00 a.m.

Investments:

Mr. Tranghese spoke to the Board via conference call.

Mr. Tranghese told the Board that he emailed the reports for their review and at the next meeting he will have the reports through May 31, 2024. He told the Board that the 1st Qtr. was good, the Pension Fund was up +4%. In the month of April performance was down at -2.1%, resulting in yearly performance through April 30, 2024, of +2%. He added, performance through last night, May 30, 2024, was positive.

Mr. Tranghese informed the Board that the voted asset allocation changes have been made using cash flow from the portfolios to rebalance. He shared that he recommends making no changes using the FY/2025 Appropriation as they have already been implemented. He also recommended using the same process as previous years of holding some of the Appropriation back for pension payments.

Mr. Tranghese told the Board that the quarterly report shows the updated allocation and is being implemented into the IPS (Investment Policy Statement). He added that he will review the IPS next month and ask the Board to reaffirm by vote.

The Board thanked Mr. Tranghese and he left the meeting at 11:05 a.m.

Annual Affidavit Notary Public Discussion:

Board to discuss PERAC Memo #13/2024 – 840 CMR 15.01 no longer requires that a notarized affidavit be filed with the Retirement Board. Instead, retirees and beneficiaries are eligible to submit the signed affidavit under penalty of perjury.

Ms. Cherry informed the Board that PERAC in their CMR 15.01 has implemented a provision for Retirement Boards to remove the required Notary Signature from the Annual Affidavit if the Board hires a company that monitors deaths. She told the Board that she would like some time to research companies that monitor deaths and bring the information back to the Board for their review.

The Board agreed to discuss this matter at the next meeting.

Section II: Membership:

New Hires:

Town:

9% Allard, Connor, Group 1, Laborer-Cemetery

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Perm. Full-time: \$950.36 weekly
Start Date: May 13, 2024

9% Balboni, Michael, Group 1, Building Custodian
Perm. Full-time: \$950.36 weekly
Start Date: May 6, 2024

9% Donovan, Devon, Group 1, Epidemiologist
Perm. Full-time: \$1,387.50 weekly
Start Date: May 1, 2024

9% Lind, Lauren, Group 1, Deputy Director of Planning & Development
Perm. Full-time: \$2,229.48 weekly
Start Date: May 6, 2024

Motion to approve Town New Hires as listed made by Mr. Ness; Seconded by Ms. Barrett.
Unanimously voted.

Buybacks:

Town:

Parmley, Lane, Group 4, Firefighter, has requested to purchase four (4) years of military service.
Total military buyback is \$18,150.88.

School:

Peters, Ann Marie, Group 1, Paraeducator, has requested to purchase six (6) months of creditable service for the period that she was inadvertently removed from the pension system by the School Payroll department. The total amount of buyback for this service is: \$667.96.

Motion to approve Town and School Buybacks as listed made by Ms. Barrett; Seconded by Ms. LaRosa. Unanimously voted.

Refunds:

Town:

Gifford, Heather, Group 1, Administrative Assistant-Assessor's
Fifteen (15) Years, Two (2) Months Creditable Service (4/12/2004-6/28/2019)
Total Refund Including FWT: \$57,681.30

School:

Brown, Collis, Group 1, Custodian

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One (1) Years, Three (3) Months Creditable Service (1/17/2023-5/3/2024)
Total Refund Including FWT: \$6,333.31

Motion to approve Town and School Refunds as listed made by Ms. Barrett; Seconded by Mr. Ness. Unanimously voted.

Rollovers:

School:

Dolan, Michael, Group 1, Custodian
Eight (8) Years, Seven (7) Months Creditable Service (8/5/2015-3/31/2014)
Total Rollover: \$43,244.55

Motion to approve School Rollover as listed made by Ms. Barrett; Seconded by Mr. Ness. Unanimously voted.

Transfers:

Town:

Brothers, Brad, Group 1, Assistant Town Manager
One (1) Year, Eleven (11) Months Creditable Service (4/25/2022-3/29/2024)
Total Transfer to Hampden County Regional Retirement Board: \$35,450.89

Gauthier, Alfred, Group 1, Recreation Program Supervisor
Two (2) Years, Four (4) Months Creditable Service (3/18/2020-7/27/2022)
Total Transfer to Norfolk County Retirement Board: \$11,554.75

Reil, Mark, Group 1, Climate Resiliency/Sustainability Planner
One (1) Year, Four (4) Months Creditable Service (7/5/2022-12/1/2023)
Total Transfer to Barnstable County Retirement Board: \$48,720.70

School:

Fender, Walter, Group 1, Special Needs Aide
Six (6) Months Creditable Service (8/30/2005-3/17/2006)
Total Transfer to Plymouth County Retirement: \$472.23

Motion to approve Town and School Transfer made by Ms. Barrett; Seconded by Mr. Ness. Unanimously voted.

Retirements:

Town:

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Hawthorne, Douglas, Jr., Group 1, Building/Plumber & Gas Inspector
Twenty-Eight (28) Years of Creditable Service
Superannuation Retirement: Opt. C
Retirement Date: July 5, 2024

School:

Young, Regina, Group 1, Student Activities Monitor
Eighteen (18) Years, Six (6) Months of Creditable Service
Superannuation Retirement: Opt. B
Retirement Date: June 13, 2024

Coombs, Cynthia, Group 1, Paraprofessional
Ten (10) Years, Five (5) Months Creditable Service
Superannuation Retirement: Opt. B
Retirement Date: June 13, 2024

Cadieux, Laurie, Group 1, Paraprofessional
Twelve (12) Years, Five (5) Months Creditable Service
Superannuation Retirement: Opt. B
Superannuation Retirement: June 13, 2024

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

Section III: Executive Session:

Pursuant to MGL Chapter 30A, Section 21 (a)(3), the Board will enter into Executive Session to discuss ongoing litigation.

There was no Executive Session Held.

Adjourn:

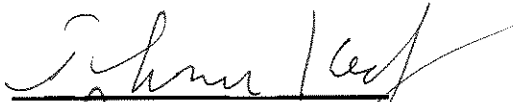
Motion to adjourn the meeting at 11:15 a.m. made by Mr. Webber; Seconded by Ms. Barrett Unanimously voted.

Respectfully submitted,

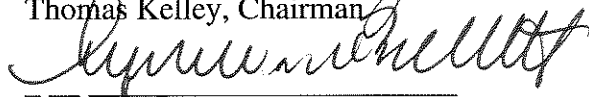
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Karry A. Barros
Assistant Director

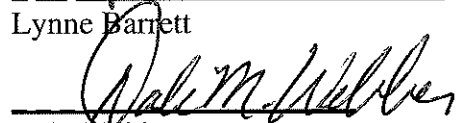
Plymouth Retirement Board:



Thomas Kelley, Chairman



Lynne Barrett



Dale Webber



Robert Ness



Sharon LaRosa

Dated: June 21, 2024