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 Gardner Contributory Retirement Board
August 27, 2019

The regular meeting of the Gardner Contributory Retirement Board was called to order by the Chairperson, Denise Merriam, on Tuesday, August 27, 2019 at 3:39 PM in Room #128, 1st Floor, City Hall, Mayor’s Conference Room. All Board Members were present. Larry Stone and Colin Edgar from Stone Consulting, Inc. were also present for the Board Meeting.

On a motion by John Richard, seconded Robert Newton, the Board unanimously voted to approve the minutes of the regular meeting of July 25, 2019. The Board then signed the permanent minutes of the special meeting of June 18, 2019 and the regular meeting of June 25, 2019.

On a motion by John Richard, seconded by Kevin McInerney, the Board unanimously voted to approve the Trial Balance and the General Ledger History for June 30, 2019 and to accept the City Treasurer’s bank reconciliations for June 2019.

On a motion by Kevin McInerney, seconded Robert Newton, the Board unanimously voted to approve Warrant #08/19 dated August 30, 2019, totaling \$535,737.43.

Vendor	For	Amount
NECS	Invoice #129652	\$ 115.51
WB Mason	Invoice #201461881	\$ 137.50
Cheryl A. Bosse'	Mileage Reimb PERAC Training	\$ 72.62
WB Mason	Invoice #201978310	\$ 249.99
Pension Payroll #08/19	Annuity Paid	\$ 84,282.60
	Pension Paid	\$ 443,395.12
	Veteran's Benefits Paid	\$ 273.75
	Dependents Paid	\$ 201.67
	COLA Paid	\$ 7,008.67
TOTAL WARRANT #08/19		\$ 535,737.43

The Board next reviewed the PRIM statement for the Gardner Retirement System for the month of July 2019, noting a \$132,158.02 Net Change in Investment Value for the month. The Management Fees for the month were \$8,535.72. The Board also reviewed the PRIM Board Quarterly Update for the Second Quarter of 2019.

Under “Correspondence” the Board reviewed PERAC Memo #21/2019. The Board was informed that the PERAC Annual Report for 2018 is available for review in the Retirement Board Office.

The Board then reviewed the email received on August 11, 2019 from Attorney Michael Sacco regarding Domestic Relations Orders.

Under “Old Business”, the Board discussed the Board Stipend Increase. Prior to the City Council meeting Board Chairperson, Denise Merriam had exchanged emails with City Council Member, James Walsh, regarding that it had been over 24 years since the Retirement Board has had an increase in the Board Stipend amount. Board Chairperson, Denise Merriam attended the City Council meeting that was held on August 5, 2019 and the Retirement Board stipend increase was approved by unanimous vote for the Ordinance to be sent to First Printing.

Under “Old Business”, each Board Member was given their ticket to Emerging Issues Forum scheduled for Thursday, September 12, 2019 from 9:00 AM to 3:00 PM.

Under “New Business”, the Board reviewed the potential buyback of previously refunded time for Ronald Babineau. Mr. Babineau was previously employed by the City of Gardner, Water Department until the City outsourced the water with a 20 year contract with Suez. The 20 year contract has ended and Mr. Babineau has returned to the City of Gardner, Water Department. Mr. Babineau previously took a rollover of his 10 years and 11 months of creditable service, January 15, 1988 to February 21, 1999. Mr. Babineau is eligible to buyback this time at ½ actuarial interest rate, currently 7.50%, (3.75%) if purchased within the first year of re-employment. The cost of this buyback is \$44,273.66 and this figure is good until September 30, 2019.

On a motion by Robert Newton, seconded by Kevin McInerney, the Board unanimously voted to grant permission for Mr. Ronald Babineau to buyback his previously rolled over creditable service time of 10 years and 11 months at a cost of \$44,273.66.

Under “New Business, the Board was joined by Larry Stone, and Colin Edgar, Actuaries from Stone Consulting, Inc., who presented the preliminary results of the January 1, 2019 Actuarial Valuation. The preliminary results show an actuarial asset loss in calendar year 2018. Mr. Stone recommends the Board change the current discount rate from 7.50% to 7.25%. Mr. Stone presented the board members with a report that reviewed the assumptions and methods used to develop multiple funding schedules for the board’s consideration: the current funding schedule with a discount rate of 7.50%, and four other funding schedules with a discount rate of 7.25%. All used the RP-2014 table projected from 2006 using scale MP-2016.

Ex-Officio Board Member, John Richard, asked Mr. Stone to provide a funding schedule for 12 years and 13 years with a discount rate of 7.50%

Mr. Stone strongly recommended that the board consider a 7.25% discount rate with a schedule that reaches full funding in FY2038 and increases the appropriation by 4.85% annually for the seventeen years.

The Board thanked Mr. Stone and Mr. Edgar and stated each member would independently study the report and meet to determine what action the Board as a whole will take.

The Board Chairperson and Ex-Officio member will request a meeting with Mayor Mark Hawke to apprise him of the results and assess if the city is fiscally sound enough to absorb an appropriation increase. The Board will discuss the report and the Mayor’s response at the next Retirement Board Meeting, scheduled for Tuesday, September 24, 2019 at 3:35 PM.

Larry Stone and Colin Edgar from Stone Consulting, Inc. departed the Board meeting at 4:40 PM.

Board Administrator, Cheryl Bosse, updated the Board Members that 252 of the 2019 Annual Affidavits were mailed out on June 28, 2019 with their June payroll checks and notice of deposits. Of the 252, 235 have been returned and 17 are still outstanding. Retirees and Survivors have until August 23, 2019 to return their 2019 Annual Affidavits. Second notices will be mailed out the remaining 17 retirees and survivors that have not returned their annual affidavits.

The next regular meeting is scheduled for Tuesday, September 24, 2019, at 3:35 PM.

All meetings are scheduled to be held in City Hall, 1st Floor, Room 128, Mayor's Conference Room.

The meeting adjourned at 5:05 P.M.

APPROVED:

John Richard, Ex-Officio

Kevin McNerney, Appointed

Denise M. Merriam, Elected (Ends 6/30/2020)
Chairperson

Robert W. Newton, Elected (Ends 6/30/2020)

Neil W. Janssens, Appointed (Ends 1/1/2021)