

The regular meeting of the Montague Retirement Board, duly posted, was held at One Avenue A, Turners Falls, MA on the above date, and came to order at 1:00 PM.

**Retirement Board Members Present:** Carolyn Olsen, Steven Ellis, David Dion, Cheryl Clark and Marianne Fiske were present.

**Retirement Board Staff Present:** Administrator Deb Underhill was present.

**Minutes:** Minutes of the September 25, 2018 Retirement Board Meeting were presented for review and approval.

On a motion made by Steven Ellis, seconded by Marianne Fiske, the Board voted to approve the September 23, 2018 minutes.

Vote: 5 In Favor 0 Opposed 0 Abstained

**Warrant:** Contributory Retirement Warrant #10, dated October 31, 2018 in the amount of \$278,431.88.

Payroll	\$ 245,246.50
Expenses	\$ 6,824.71
Travel	\$ 414.06
Software Upgrade	\$ 10,750.00
AS Refunds	\$ 1,319.19
AS Transfers	\$ <u>13,877.42</u>
Total Warrant	\$ 278,431.88

On a motion made by David Dion, seconded by Marianne Fiske, the Board voted to approve the October 31, 2018 Warrant #10 in the amount of \$278,431.88.

Vote: 5 In Favor 0 Opposed 0 Abstained

**New Members:** Jamie Roblee Gonzalez, GMRSD, CNA, 9-26-2018  
William Stratford, TWN, DPW Foreman, 10-9-2018  
Erin Johnson, GMRSD, Intern, 9-24-2018  
Heath Cummings, GMRSD, Facility/Energy Manager, 10-15-2018  
Amy Killay, GMRSD, LPN, 10-1-2018  
Joseph Sobieski, GMRSD, Custodian, 9-17-2018

On a motion made by Steven Ellis, seconded by Marianne Fiske, the Board voted to approve the new members listed above.

Vote: 5 In Favor 0 Opposed 0 Abstained

**Financial Statements:** Board reviewed August 2018 & September 2018 financial statements, containing the following documents for each month:

Cash Receipts Report	Bank Reconciliation	Detail General Ledger
Cash Disbursements Report	Bank Statements	Supplementary Schedule
Adjustments Report	PRIT Reconciliation	
Trial Balance	PRIT Statements	

**AS Transfer:** Mistelle W. Hannah, GMRSD, 5/11/2015-5/11/2018, transfer to Northampton Retirement Board, 3 years, 0 months, 0 days creditable service.

On a motion made by Marianne Fiske, seconded by Steven Ellis, the Board voted to approve to the transfer for Mistelle W. Hannah, GMRSD, 5/11/2015-5/11/2018, to Northampton Retirement Board, 3 years, 0 months, 0 days creditable service.

Vote: 5 In Favor 0 Opposed 0 Abstained

**AS Withdrawal:** JoAnn Reipold, GMRSD, 8/2/2017-6/22/2018, Paraprofessional, withdrawal of accumulated deductions and 9 months, 24 days of creditable service.

On a motion made by Marianne Fiske, seconded by David Dion, the Board voted to approve to the withdrawal of accumulated deductions and 9 months, 24 days of creditable service for JoAnn Reipold, GMRSD, 8/2/2017-6/22/2018.

Vote: 5 In Favor 0 Opposed 0 Abstained

**CY2019 Budget:** Board to review and vote on proposed CY2019 budget.

**MONTAGUE RETIREMENT SYSTEM  
PROSPED CALENDAR 2019 BUDGET**

Description	CY18 BUDGETED	2018 Actual	Difference	CY2019 Proposed BUDGET	% CHANGE
<b>Salaries</b>					
Town Accountant	4,020	4,020	0	4,020	0.00%
Treasurer	3,000	3,000	0	3,000	0.00%
* Administrator/28 hrs	40,156	38,500	1,656	41,560	3.50%
**Administrator Extra Hours	500	0	500	500	0.00%
Board Stipend	16,080	16,080	0	16,080	0.00%
<b>Total Salaries</b>	<b>63,756</b>	<b>61,600</b>	<b>2,156</b>	<b>65,160</b>	<b>2.20%</b>
<b>Expenses</b>					
Fiduciary Ins.	2,400	2,250	150	2,400	0.00%
Contract Labor	0	1,475	-1,475	500	#DIV/0!
Administrative Expenses ***	5,000	4,600	400	6,500	30.00%
PTG Support	20,200	37,700	-17,500	20,800	2.97%
Association Dues	400	400	0	400	0.00%
Election	500	0	500	500	0.00%
Employee Fringe Costs****	8,200	8,150	50	8,900	8.54%
Furniture & Equip.	1,000	0	1,000	1,000	0.00%
Legal Exp.	8,000	8,000	0	8,000	0.00%
Travel & Education/Training	8,500	5,000	3,500	6,500	-23.53%
Town Audit - GASB	4,500	4,000	500	4,500	0.00%
Management Fees (PRIT)	210,000	251,800	-41,800	243,000	15.71%
<b>Total Expenses</b>	<b>268,700</b>	<b>323,375</b>	<b>-54,675</b>	<b>303,000</b>	<b>33.69%</b>
<b>Total Salaries &amp; Expenses</b>	<b>332,456</b>	<b>384,975</b>	<b>-52,519</b>	<b>368,170</b>	<b>35.89%</b>

\*Administrator salary increase                      3%                      3.5%                      4.0%  
hourly                      \$28.41                      \$ 28.55                      \$ 28.68  
annually                      \$41,365                      \$41,569.00                      \$41,758

\*\*\*\*Empl. Fringe Costs = \$7500 BC/BS PPO Individual, \$150 Life Ins, \$250 WC, \$950 MC (includes MC for board stipends).

**Budget Discussion:** Steve Ellis asked if Administrator Deb Underhill could provide a y-t-d budget comparison each month. Ms. Underhill said that she would do that in the future.

Marianne Fiske asked if the “2018 actual” column is year to date, or for the entire year. Ms. Underhill said that she tried to project the 2018 actual expenses for the entire year, as there are only 2 months left, and not many expenses remain other than stipends and salary. Ms. Fiske asked why the Contract Labor, PTG Support, and Management Fees line items have a negative amount remaining. Ms. Underhill replied: she created a new line item for contract labor, since Ms. Fiske had done some office work as contract labor this year. Moody Consulting IT services are also included in Contract Labor. PTG Support includes the additional \$21,500 that the board approved at the September 25<sup>th</sup> board meeting for scanning of all files and the addition of the Scanning Module to the current PTG software. Paul Todisco of PRIM had recommended we budget management fees at \$210,000 for CY2018, but the actual fees will exceed that amount.

Ms. Fiske stated that since we are running over the approved CY2018 budget, Ms. Underhill will have to prepare a CY2018 Supplemental Budget to be approved at the January 2019 board meeting. Carolyn Olsen asked if we should do that in November so it is done in the same calendar year. Ms. Fiske replied that we won’t know the actual amount that we are over budget until January, so we need to look at the Supplemental Budget at that time. Ms. Underhill said that we won’t receive the December PRIT statement until the end of January. Ms. Fiske explained to Ms. Underhill that we only have to approve the total dollar amount that we are over budget with a brief explanation of the costs that exceeded the budgeted amount.

Chairperson Cheryl Clark led the board through the budget line items, starting with the stipends and administrator salary. The stipends remain the same. A 3.5% increase to the administrator salary was presented, with additional details included for a 3% and 4% increase. Ms. Underhill presented a 2018 Administrator Salary Survey of all Administrators and Assistant Administrators in the state. David Dion said that salary surveys don’t mean anything, that they are not relevant as we are a small retirement system. Marianne Fiske said that there are other small systems on the salary survey. Deb Underhill said that the Retirement Administrator position can’t be compared to any other position in the town, only to the other administrator salaries in the state, as they do the same job. Ms. Underhill said that the size of the system is reflected in her hours and that she does everything that all administrators in the state do. Marianne Fiske agreed that the job is the same as other administrators, and she asked if we had received a salary survey from PERAC, as that would be helpful. Ms. Underhill said she has not received a salary survey from PERAC. Cheryl Clark asked if there had been any increase in membership numbers during 2018. David Dion said that there are probably more new retirees than new members. Ms. Underhill agreed that there had been quite a few new retirements. Marianne Fiske stated that the Annual Statement shows the membership counts on the last page. David Dion said that he is not in favor of a 3.5% raise, he can’t justify it. Cheryl Clark asked if the board would like to vote on the salary portion of the budget at this time. Mr. Ellis moved to approve a 3.5% increase to the administrator salary for CY2019. Mr. Ellis said that based on the salary survey it seems that we are getting a very good value and he would like to see consistency in the role. Ms. Olsen agreed that she would not like to see the position become a revolving door.

On a motion made by Steven Ellis, seconded by Carolyn Olsen, the Board voted to approve a 3.5% increase to the administrator salary for CY2019.

Vote: 3 In Favor 2 Opposed 0 Abstained

Marianne Fiske, Carolyn Olsen and Steven Ellis voted yes. David Dion and Cheryl Clark voted no.

**Budget Expenses Discussion:** Cheryl Clark asked why the 2019 budgeted amount for administrative expenses was up by 30%. Deb Underhill explained that due to PERAC requiring more advertising for board positions and RFP's, she increased the budgeted amount. David Dion's term will be expiring in the spring, so we will have to advertise at that time. Advertising is expensive, but PERAC is concerned about transparency. Ms. Clark asked what is included in the Employee Fringe Costs line item. Ms. Underhill said that it is listed at the bottom of the budget, and includes the employer portion of health and life insurance, workers comp insurance and Medicare taxes. Ms. Clark asked what percentage increase was used for the health insurance. Ms. Underhill said she used 7%, per a prior discussion with Ms. Clark. Carolyn Olsen asked why we are only budgeting \$243,000 for CY2019 Management Fees when the CY2018 actual exceeds that amount. Deb Underhill explained that Paul Todisco of PRIM quoted the \$243,000 management fee expense for CY2019. It is based on our percentage of PRIM's budget, which is based on our percentage of the total fund at 0.06%. Ms. Underhill distributed copies of an email from Paul Todisco explaining how our management fees are calculated.

Carolyn Olsen said it makes sense to raise the CY2019 budget amount, based on the current year amount. Steven Ellis said that we need clarification from Mr. Todisco, as the information he sent is confusing. Mr. Ellis asked if we needed to approve a budget this month. Ms. Underhill said that we start with the budget in October so the board can vote on a final version in November and submit it to PERAC before the end of the year.

The remainder of the CY2019 budget was tabled pending clarification from Paul Todisco regarding PRIT management fees.

**Other Business:** Cheryl Clark stated that the new meeting time of 9:00 am was not going to work for her due to staffing issues in the treasurer's office. She asked if the board would be willing to change the new meeting time to 9:30 am. All board members agreed to the meetings being held at 9:30 am in the future.

**Meeting Adjourned 9:52 AM**

Next meeting: **Tuesday November 27, 2018 @ 9:30 am.**

Annual items:

Jan/Feb - Post COLA hearing

Sept - Vote chairman

Oct - Administrator evaluation & compensation, stipends, budget for next year

Nov - Budget approval

**APPROVED BY THE MONTAGUE BOARD OF RETIREMENT**

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Cheryl Clark, Chairperson

Respectfully submitted,

\_\_\_\_\_  
Carolyn Olsen

\_\_\_\_\_  
Debra Underhill  
Administrator

\_\_\_\_\_  
David Dion

Montague Retirement Board

\_\_\_\_\_  
Marianne Fiske

\_\_\_\_\_  
Steven Ellis