

The regular meeting of the Montague Retirement Board, duly posted, was held online via Zoom (due to COVID19) on the above date, and came to order at 9:30 am.

Chairperson Carolyn Olsen announced that the meeting was being recorded, and roll call was taken.

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

Retirement Board Staff Present: Administrator Deb Underhill was present.

Minutes: February 23, 2021 Retirement Board meeting minutes were presented for review and approval.

On a motion made by Steven Ellis, seconded by Marianne Fiske, the Board voted to approve the February 23, 2021 Retirement Board meeting minutes.

Roll Call Vote: Marianne Fiske YES Carolyn Olsen YES Cheryl Clark YES Steven Ellis YES
Vote: 4 In Favor 0 Opposed 0 Abstained

Contributory Retirement Warrant #3: Approve March 2021 Warrant #3, dated March 31, 2021, in the amount of \$324,503.66.

Payroll	\$ 276,972.73
Expenses	\$ 6,616.64
AS Refunds	\$ 7,048.13
AS Transfers	\$ 33,866.16
Total Warrant	\$ 324,503.66

On a motion made by Cheryl Clark, seconded by Marianne Fiske, the Board voted to approve the March 31, 2021 Warrant #3 in the amount of \$324,503.66.

Roll Call Vote: Steven Ellis YES, Marianne Fiske YES Carolyn Olsen YES Cheryl Clark YES
Vote: 4 In Favor 0 Opposed 0 Abstained

COLA: Retirement Board to determine whether to pay a cost of living adjustment (COLA) to retirees pursuant to G.L. Chapter 32, 103 (i), and to determine the amount of the COLA, up to a 3% maximum on the first \$18,000 paid annually, effective 7/1/2021, for retirees retired prior to 7/1/2020 and payable on 7/31/2021.

Discussion:

Steven Ellis commented that this COLA only applies to the first \$18K of any retirement allowance, and it is his opinion that it is imperative that we offer this increase, as the pensions are not subject to any other positive inflationary adjustment.

On a motion made by Marianne Fiske, seconded by Steven Ellis, the Board voted to grant a 3% (3% maximum, on a maximum benefit of \$18,000 annually) COLA effective 7/1/2021, for retirees retired prior to 7/1/2020 and payable on 7/31/2021 pursuant to section 103(i) (section 103 (i) = maximum of 3%).

Roll Call Vote: Steven Ellis YES, Marianne Fiske YES Carolyn Olsen YES Cheryl Clark YES
Vote: 4 In Favor 0 Opposed 0 Abstained

New Members: Approve new members listed below:

Justin McArdle, GMRSD, Food Services Director, effective 2/22/2021
Christopher Tobey, GMRSD, Medical Waiting Room, effective 2/22/2021
Cara Klempner, GMRSD, Medical Waiting Room, effective 2/22/2021
Amanda Skiff, GMRSD, Paraprofessional, effective 2/22/2021
Christine Thurston, GMRSD, Admin Asst., effective 3/3/2021
Robert Bessette, TWN, DPW Lead Mechanic, effective 3/8/2021

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

Roll Call Vote: Steven Ellis YES, Marianne Fiske YES Carolyn Olsen YES Cheryl Clark YES
Vote: 4 In Favor 0 Opposed 0 Abstained

Option D Survivor Benefit: William Mercier, GMRSD 9/9/2013 – 7/20/2020, died as a member in service on 7/20/2020. His son, Shayne Mercier, was named his Option D beneficiary. The benefit has been calculated to be \$236.19 per month. PERAC benefit calculation approval has been received. Board to approve Option D survivor benefits for Shayne Mercier, effective 7/21/2020.

On a motion made by Cheryl Clark, seconded by Marianne Fiske, the Board voted to approve Option D monthly survivor benefit for Shayne Mercier, son of William Mercier, GMRSD, date of death 7/20/2020.

Roll Call Vote: Steven Ellis YES, Marianne Fiske YES Carolyn Olsen YES Cheryl Clark YES
Vote: 4 In Favor 0 Opposed 0 Abstained

Transfer: Jennifer Audley, GMRSD 7/27/2015 – 9/27/2019, 4 years, 2 months, 1 day, transfer to the State Retirement Board, in the amount of \$18,834.21.

On a motion made by Marianne Fiske, seconded by Steven Ellis, the Board voted to approve transfer of annuity savings and creditable service for Jennifer Audley, GMRSD 7/27/2015 – 9/27/2019, 4 years, 2 months, 1 day, to the State Retirement Board, in the amount of \$18,834.21.

Roll Call Vote: Steven Ellis YES, Marianne Fiske YES Carolyn Olsen YES Cheryl Clark YES
Vote: 4 In Favor 0 Opposed 0 Abstained

Transfer: Heather Holmes, GMRSD 8/29/2016 – 11/26/2020, 4 years, 2 months, 27 days, to the Franklin Regional Retirement Board, in the amount of \$15,031.95.

On a motion made by Marianne Fiske, seconded by Cheryl Clark, the Board voted to approve transfer of annuity savings and creditable service for Heather Holmes, GMRSD 8/29/2016 – 11/26/2020, 4 years, 2 months, 27 days, to the Franklin Regional Retirement Board, in the amount of \$15,031.95.

Roll Call Vote: Steven Ellis YES, Marianne Fiske YES Carolyn Olsen YES Cheryl Clark YES
Vote: 4 In Favor 0 Opposed 0 Abstained

3(8)c Liability: Catherine Donovan, GMRSD 9/19/2016 – 2/5/2018, took a refund of her annuity savings on 7/31/2018, 1 year, 4 months, 14 days. (Ms. Donovan’s refund also included a transfer we received for 23 days with Franklin Regional, 10/13/2015 – 11/5/2015.) The Worcester Regional Retirement Board is requesting buyback and creditable service information.

On a motion made by Steven Ellis, seconded by Marianne Fiske, the Board voted to accept 1 year, 4 months, 14 days creditable service for Catherine Donovan, GMRSD, 9/19/2016 – 2/5/2018, upon full re-payment of refund, plus applicable interest.

Roll Call Vote: Steven Ellis YES, Marianne Fiske YES Carolyn Olsen YES Cheryl Clark YES
Vote: 4 In Favor 0 Opposed 0 Abstained

Buyback of Reserve Time: Christopher Bonnett, TWN, Police, would like to purchase his *compensated* reserve time from 11/26/2002 – 6/26/2005, 2 years, 7 months creditable service, at the cost of \$587.64 (if paid in April 2021) per PERAC memo #11/2020.

On a motion made by Marianne Fiske, seconded by Cheryl Clark, the Board voted to approve buyback of compensated reserve time, 11/26/2002 – 6/26/2005, 2 years, 7 months creditable service.

Roll Call Vote: Steven Ellis YES, Marianne Fiske YES Carolyn Olsen YES Cheryl Clark YES
Vote: 4 In Favor 0 Opposed 0 Abstained

Refunds: approve refund of annuity savings for Alexander Milton, TWN, DPW, 6/25/2019 – 2/12/2021, 1 year, 7 months, 15 days, in the amount of \$7,048.13.

On a motion made by Steven Ellis, seconded by Cheryl Clark, the Board voted to approve refund of annuity savings for Alexander Milton, TWN, DPW, 6/25/2019 – 2/12/2021, 1 year, 7 months, 15 days, in the amount of \$7,048.13.

Roll Call Vote: Steven Ellis YES, Marianne Fiske YES Carolyn Olsen YES Cheryl Clark YES
Vote: 4 In Favor 0 Opposed 0 Abstained

Workers’ Comp Offset Policy: Attorney Tom Gibson has recommended that the Board update the current Workers’ Comp Offset Policy. The Board has reviewed the draft policy suggested by Attorney Gibson.

Discussion:

Steven Ellis: After reviewing the old WC Policy, and comparing it to the updated policy, it appears that the updated policy is just an expanded version of the old policy. Steve asked Administrator Deb Underhill if the new policy would change the way WC Offsets were handled in the future.

Deb Underhill: Deb agreed that the updated policy is an expanded version of the old policy, and that the Workers’ Comp offset process will not change.

On a motion made by Marianne Fiske, seconded by Cheryl Clark, the Board voted to approve the updated Workers’ Comp Offset Policy as suggested and written by Attorney Tom Gibson.

Roll Call Vote: Steven Ellis YES, Marianne Fiske YES Carolyn Olsen YES Cheryl Clark YES
Vote: 4 In Favor 0 Opposed 0 Abstained

Notice and Discussion: Bill HD1794 has been filed with the legislature to add 3 years creditable service or 3 years to a member's age if they are deemed an essential worker during COVID and could not work at their private residence from March 10 to December 31, 2020. A copy of the bill is included with the meeting documents. Representative Natalie Blais told Town Administrator (and Retirement Board Member) Steve Ellis that testimony regarding this bill could be submitted once it is assigned to a committee.

Discussion:

Steven Ellis: This afternoon, Carolyn Olsen, Deb Underhill and I will be having an informal discussion with one of the bill's sponsors, State Representative Natalie Blais, just to understand her position, and what the likelihood is of this bill moving forward. As other Board members share their thoughts and opinions, we can represent those in our discussion later today.

Carolyn Olsen: This would be an unfunded mandate, unless a local option is added. It would be extremely difficult to determine who is or is not an "essential worker." I think that a benefit adding 3 years is excessive for the amount of time this bill covers (less than one year) even though it *was* during a pandemic. It would be costly and time consuming to get an actuarial evaluation of what the total cost would be. The actual cost of the benefit itself would be immense. While I appreciate the sentiment behind this bill, the way it is written would be a logistical nightmare; it has no end date, and it would be incredibly difficult to know when, how and where to assign the liability. It is open ended, where if it was an Early Retirement Incentive (ERI) a member would have to retire by a certain date. With an ERI, there would be the benefit of reduced positions to offset the additional cost, where this is a full-on extra cost, as it is beyond the scope of an ERI. Given that so many retirement systems are currently unable to meet their funding goals as it is now, this would be an incredible additional burden. This bill is well intentioned, but poorly thought out, and I am not in favor of it.

Marianne Fiske: I agree with Carolyn. The funding issues are what first struck me, not that it can't be worked out, but I'm concerned about what it would do to our funding schedule. Look at what past ERI's did to our funding schedule, and that was limited to a certain number of employees. Perhaps the essential workers deserve something, but I am not completely in favor of this as it is being presented.

Carolyn Olsen: If the State would like to reward the essential workers in some way, it would be cheaper and easier to give everyone who worked through the pandemic an extra \$10K as regular compensation.

Marianne Fiske: That may sound like a lot of money, but compared to the cost of the proposed benefit, it would be less, and wouldn't put the burden on the retirement systems.

Cheryl Clark: There will be questions around how this bill would affect someone who worked during the pandemic, and is now retired.

Deb Underhill: I believe the bill states that this benefit would apply only to workers who were unable to work from home during the pandemic.

Carolyn Olsen: That is another issue, as some people perhaps could have worked at home but chose not to.

Deb Underhill: Some people worked both at home and in the office.

Cheryl Clark: How fair is this to other essential workers, like grocery store and postal employees?

Deb Underhill: It would be their tax dollars that fund this bill.

Carolyn Olsen: Yes, and their overall average income is probably lower than the overall average income of a municipal employee. In many cases, they worked under worse circumstances and were at greater risk during the pandemic.

Cheryl Clark: In Montague, all employees were paid their full salary during the pandemic, even if they were unable to be in the office every day. I don't see that this bill will go anywhere.

Carolyn Olsen: Since this bill has been filed and is public information, many people are talking about it and getting their hopes up that they will receive this benefit.

Steven Ellis: I concur with everyone. In my role as Town Administrator, I am aware that it is hard for municipalities to find qualified people to fill open positions, especially department head positions. This bill could create a crises of available leadership. The pandemic required "more and different" from our staff, and having experienced people has been important. I am speaking against my own self-interest, but this is not good policy. Fortunately, the Montague Retirement System is in a good funding position, but there are many systems that aren't as well funded, including the State Board. The individual retirement systems are inter-connected, and if the System as a whole fails, it is not federally guaranteed. The resilience of the entire System would be compromised should this bill pass as written. The additional cost of this bill could also affect the ability of municipalities to start funding OPEB (Other Post-Employment Benefits), which are also important to retirees.

Marianne Fiske: I don't think that the people who are excited about this bill understand the funding issues like we do.

Steven Ellis: We've all watched the Federal Government create new money and send out trillions of dollars, which begins to distort our understanding of what money really is, what the repercussions will be in the future, and what governments can and can't do financially.

Notice: The Board has received final approval from PERAC for Brenda Gravelle, GMRSB, Accidental Disability Application.

Financial Statements: Board reviewed February 2021 financial statements, containing the following documents:

Cash Receipts Report	Bank Statements	Monthly Trial Balance
Cash Disbursement Report	Bank Reconciliation	Y-T-D Trial Balance
Adjustments Report	PRIT Statements	Monthly General Ledger
Supplementary Schedule	PRIT Reconciliation	Y-T-D Budget

Meeting Adjourned: 9:59 am

On a motion made by Cheryl Clark, seconded by Marianne Fiske, the meeting was adjourned at 9:49 am.

Roll Call Vote: Steven Ellis YES, Marianne Fiske YES Carolyn Olsen YES Cheryl Clark YES
Vote: 4 In Favor 0 Opposed 0 Abstained

Upcoming Meetings: Tuesday April 27, 2021 @ 9:30 am via Zoom
Tuesday May 25, 2021 @ 9:30 am via Zoom

APPROVED BY THE MONTAGUE BOARD OF RETIREMENT

Carolyn Olsen, Chairperson

respectfully submitted,

Cheryl Clark

Debra Underhill
Administrator
Montague Retirement Board

David Dion

Marianne Fiske

Steven Ellis

BOARD MEMBER POSITION & TERMS:

1. C. Olsen – Ex-Officio
2. S. Ellis – expires 5/22/21
3. D. Dion – expires 5/30/22
4. C. Clark – expires 12/16/23
5. M. Fiske – expires 1/31/24

Annual items:

- Jan/Feb - Post COLA hearing
- March – COLA
- Mar/Apr – Approve Annual Stmt
- Sept – Vote chairman
- Oct – Administrator evaluation & compensation, stipends, budget for next year
- Nov – Budget approval