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 Gardner Contributory Retirement Board
July 26, 2018

The regular meeting of the Gardner Contributory Retirement Board was called to order by the Chairperson, Denise Merriam, on Thursday, July 26, 2018 at 3:04 PM in Room #128, 1st Floor, City Hall, Mayor’s Conference Room. .

On a motion by Robert Newton, seconded John Richard, the Board unanimously voted to approve the minutes of the regular meeting of June 26, 2018. The Board then signed the permanent minutes of the regular meeting of May 29, 2018.

On a motion by John Richard, seconded Kevin McInerney, the Board unanimously voted to approve the Trial Balance and the General Ledger History for May 31, 2018 and to accept the City Treasurer’s bank reconciliations for May 2018.

On a motion by John Richard, seconded by Robert Newton, the Board unanimously voted to approve Warrant #07/18 dated July 31, 2018, totaling \$531,099.96

Vendor	For	Amount
Jared R Aponte	Refund of ASF	\$ 7,307.41
City of Gardner	Federal W/H on Refund	\$ 1,826.85
W.B. Mason	Invoice #156058708	\$ 56.45
NECS	Annual Service Contract	\$ 500.00
Law Offices of Michael Sacco	Invoice #1847	\$ 50.00
Stone Consulting	Actuarial Valuation 1/1/2018	\$ 7,950.00
Cliff J Melatti	Recalculations on Retirees	\$ 714.00
BSE, Bay State Envelope	Invoice #206752 Letterhead	\$ 662.50
Pension Payroll #07/18	Annuity Paid	\$ 78,191.46
	Pension Paid	\$ 426,549.87
	Veteran's Benefits Paid	\$ 258.75
	Dependents Paid	\$ 194.81
	COLA Paid	\$ 6,837.86
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TOTAL WARRANT #07/18		\$ 531,099.96

The Board next reviewed the PRIM statement for the Gardner Retirement System for the month of June 2018, noting a \$255,329.81 Net Change in Investment Value for the month.

Under “Correspondence” the Board reviewed PERAC Memo #20/2018; and PERAC Memo #21/2018. Board Administrator, Cheryl Bosse, informed the Board that everyone was registered to attend the PERAC Emerging Issues Forum scheduled for September 13, 2018.

The Board reviewed an email received on June 29, 2018 from Attorney Michael Sacco regarding Memo to clients on Gomes and Vernava. Board Chairperson, Denise Merriam discussed how some employees can use sick time and it is considered retirement allowed, but other employees that are out on workman's compensation, any sick time they use is not retirement allowed if they were to retire on a work related injury. Denise stated that this practice does not seem like it is treating everyone fairly. For those employees out on workman's compensation, it is hurting them at time of retirement. The Board discussed the portion of Attorney Michael Sacco's email where Attorney Sacco mentions the Vernava Update.

On a motion by Kevin McInerney, seconded John Richard, the Board unanimously voted to notify Attorney Michael Sacco that the Gardner Retirement Board wishes to join the other three (3) regional retirement board clients in the filing of a declaratory judgement action in Superior Court to challenge PERAC's incorrect interpretation of the Supreme Judicial court's Vernava decision.

Board Administrator, Cheryl Bosse, will notify Attorney Michael Sacco of the Board's decision and vote to join the other boards in the filing against PERAC and the Vernava decision.

The Board then reviewed an email received on July 23, 2018 from Attorney Michael Sacco containing an Order of Dismissal to Russell St. Pierre from DALA.

Under "Old Business", the Board discussed the quote received from Melanson and Health for Calendar Year Audits for 2018, 2019 & 2020. Board Administrator, Cheryl Bosse, informed the Board that Request for Proposal (RFP) still needs to be done.

Board Administrator, Cheryl Bosse, updated the Board on the current status of the PERAC four year audit. Board Administrator, Cheryl Bosse, informed the Board that the recalculation for Theresa Hillman who retired on May 31, 2013, has been processed.

Under "New Business, the Board was joined by Larry Stone, Actuary from Stone Consulting, Inc., who presented the preliminary results of the January 1, 2018 Actuarial Valuation. The preliminary results show an actuarial asset gain in calendar year 2017. Mr. Stone recommends the Board change the current discount rate from 7.75% to 7.25%. Mr. Stone presented the board members with a report that reviewed the assumptions and methods used to develop seven funding schedules for the board's consideration: the current funding schedule with a discount rate of 7.75%, three with a discount rate of 7.50% and three with a discount rate of 7.25%. All used the RP-2014 table projected from 2006 using scale MP-2016.

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Mr. Stone strongly recommended that the board consider a 7.25% discount rate with a schedule that reaches full funding in FY2034 and increases the appropriation by 4.50% annually for the fifteen years.

The Board thanked Mr. Stone 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 on Tuesday, August 28, 2018, at 3:35 PM.

On a motion by Neil Janssens seconded by Kevin McInerney, the Board unanimously voted to grant superannuation retirement benefits to Sandra T. Spain, Para Professional, Option B, effective June 22, 2018.

The next regular meeting is scheduled for Tuesday, September 25, 2018, at 10:00 AM. All meetings are scheduled to be held in City Hall, 1st Floor, Room 128, Mayor's Conference Room.

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