

The regular meeting of the Gardner Contributory Retirement Board was called to order by the Chairperson, Denise Merriam, on Tuesday, July 27, 2021 at 10:01 AM in Room #128, 1st Floor, City Hall, Mayor's Conference Room. All Board Members were present. Mayor Michael Nicholson, Larry Stone and Colin Edgar, Actuaries from Stone Consulting, Inc. were also in attendance at the Board Meeting.

Per a memorandum received from Mayor Nicholson dated June 30, 2021 the Board Administrator, Cheryl Bosse, obtained a video camera from the IT Department at City Hall. Prior to the meeting Ms. Bosse set the camera up in the Mayor's Conference Room. When the meeting was ready to begin, Ms. Bosse pressed record on the camera as instructed by the IT Department. The video camera then displayed a message that there was no memory card installed in the camera. Under the advice of Mayor Nicholson, the meeting continued as scheduled without being recorded.

Having no objection from anyone, Board Chairperson, Denise Merriam announced that the Board would start with New Business, Item b. Stone Consulting, Inc.

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, 2021 Actuarial Valuation. The preliminary results show an actuarial asset gain of \$2.7M for cycle year 2020. The Retirement Board currently has a discount rate of 7.25% with a current projected funding contribution annual increase of 8.44% and a projected completion in 2031. PERAC recommends current discount rates between 6.75% to 7.15%. Mr. Stone recommends the Board change the current discount rate from 7.25% to either 7.000% or 6.75%. 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 7.25%, and two other funding schedules with discount rates of 7.000% and 6.75%. All used the RP-2014 table projected from 2006 using scale MP-2016.

Mr. Stone also pointed out to the Retirement Board Members that retirees have remained around 46% of population in the past 13 valuations. Gradually increased portion of liability, from 59% to 65%. This data suggest a lower discount rate since short-term returns are expected to be lower. Mr. Edgar pointed out that the COVID impact and effect on mortality is not yet fully known.

Mr. Stone recommended that the Retirement Board consider asset smoothing as the system approaches being fully funded. Mr. Stone explained asset smoothing that if the retirement board has a year with a large financial loss, the loss would have to be made up within one year. With Asset Smoothing, the retirement board could spread that loss out over numerous years and not have to make up for the loss in the year that it was incurred.

Ex-Officio Board Member, John Richard, asked for an example of Asset Smoothing from Stone Consulting. Mr. Edgar will provide for the Board Members review.

Board Chairperson, Denise Merriam, stated that the retirement board is trying to keep the years the same without adding more years to the funding schedule. Mayor Nicholson agreed with this plan.

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 Retirement Board plans to vote on an Actuarial Rate and Asset Smoothing at their August 2021 monthly board meeting.

Larry Stone and Colin Edgar from Stone Consulting, Inc. departed the Board meeting at 10:50 A.M.

After a brief discussion about the various examples of funding scheduled provided by Stone Consulting, Inc., Mayor Michael Nicholson exited the meeting at 11:05 AM.

On a motion by John Richard, seconded by Neil Janssens the Board unanimously voted to table the items of the actuarial rate and asset smoothing until the August 26, 2021 board meeting.

On a motion by John Richard, seconded Neil Janssens, the Board unanimously voted to approve the minutes of the regular meeting of June 24, 2021. The Board then signed the permanent minutes of the regular meeting of May 25, 2021.

On a motion by John Richard, seconded by Robert Newton, the board unanimously voted to approve the Trial Balances and General Ledger Histories for May 2021 and to accept the City Treasurer’s bank reconciliations for May 2021.

On a motion by Kevin McInerney, seconded by Robert Newton, the Board unanimously voted to approve Warrant #07/21 dated July 30, 2021, totaling \$632,387.29.

Vendor	For	Amount
WB Mason	Inv #221004168 Office Supplies	\$ 90.02
NECS	Invoice #AR98724	\$ 550.00
MA Teachers Ret Sys	Trsf ASF Nancy L Olivo	\$ 30,838.43
Stone Consulting, Inc.	Invoice #48-062021	\$ 10,150.00
Pension Payroll #07/21	Annuity Paid	\$ 98,236.59
	Pension Paid	\$ 484,727.36
	Veteran's Benefits Paid	\$ 273.75
	Dependents Paid	\$ 391.21
	COLA Paid	\$ 7,129.93
<b>TOTAL WARRANT #07/21</b>		<b>\$ 632,387.29</b>

Due to a family emergency, Board Member, Robert Newton, exited the Board Meeting at 11:24 A.M.

The Board next reviewed the PRIM statement for the Gardner Retirement System for the month of June 2021, noting a positive \$1,996,849.37 Net Change in Investment Value for the month. The Management Fees for the month were \$72,451.72.

Under “Correspondence” the Board reviewed PERAC Memo #18/2021; PERAC Memo #19/2021; PERAC Memo #20/2021; PERAC Memo #21/2021 and PERAC Memo #22/2021. The Board Administrator informed the Board Members that the COLA for Supplemental Dependents Allowance was updated in Pension Technology Group and that the retirees eligible for this increase received the COLA increase in their July 2021 payroll payments. The Board Members also reviewed the PERAC Investment Report for 2020.

Under “Old Business”, the Board Administrator, Cheryl Bosse, updated the Board Members on the status of the disability retirement application currently in process:

Disability Applicant #3: The Retirement Board Administrator informed the Board Members that she had sent a letter to PERAC on April 6, 2021 requesting an extension of time for disability applicant #3 considering that the six month mark from completed disability application was going to expire. Kenneth Hill, PERAC Assistant Deputy Director, responded on July 1, 2021 that an extension of time is not necessary due to the fact that the Retirement Board has not gotten to the point of requesting a medical panel.

Cheryl Bosse, Board Administrator, updated the Board Members that Disability Applicant #3 contacted the retirement board office on July 1, 2021 requesting a Superannuation Retirement estimate for June 30, 2021. A letter was mailed to Disability Applicant #3 explaining her creditable service and that if she does retire under a disability retirement, her creditable service will need to be adjusted accordingly for the time that she was collecting workers’ compensation payments.

Under “New Business”, the Board reviewed a Memorandum dated June 30, 2021 from Michael Nicholson, Mayor, City of Gardner, Elizabeth Kazinskas, President, Gardner City Council and Jennifer Pelavin, Vice Chair, Gardner School Committee. The memorandum was in regards of recording of open meetings. All public meetings must be video recorded and the videos will be uploaded to the City’s You Tube platform. Also, all public meetings must be held in spaces where any member of the public may sit in and view at any time.

Item B, Stone Consulting, Inc. under “New Business” was discussed at the beginning of the Board Meeting.

On a motion by John Richard, seconded Kevin McInerney, the Board unanimously voted to grant accidental disability retirement benefits to Robert M. Jacques., Option B, effective May 23, 2021.

On a motion by John Richard, seconded Kevin McInerney, the Board unanimously voted to grant superannuation retirement benefits to Michelle A. Wirzbicki., Option B, effective June 18, 2021.

On a motion by John Richard, seconded Kevin McInerney, the Board unanimously voted to grant superannuation retirement benefits to Katherine A. Crowley., Option B, effective June 30, 2021.

On a motion by John Richard, seconded Kevin McInerney, the Board unanimously voted to grant superannuation retirement benefits to Holly A. Walsh., Option C, effective June 30, 2021.

The Board then recognized the death of Annette Korhonen, Retired School Paraprofessional, Option C, on June 22, 2021. Annette's surviving spouse, Peter Korhonen, will receive Option C Beneficiary monthly payroll payments. The Board also recognized the death of Kenneth Stone, Retired Police Detective, Option B, on July 17, 2021.

Cheryl Bosse', Board Administrator, updated the Board that 261 Annual Affidavits were mailed out with the June 2021 payroll to retirees and survivors and 190 have already been returned to the retirement board office. Of the 71 outstanding affidavits, 30 are from Gardner residents and 41 are from retirees and survivors that live outside of Gardner. Retirees have until August 20, 2021 to return their 2021 affidavits.

The next regular meeting is scheduled for Thursday, August 26, 2021, at 10:00 AM and will be held in Room #203, Annex, Hubbard Conference Room at Gardner City Hall.

There being no further business, a motion to adjourn at 11:27 A.M. was made by Neil Janssens, seconded by John Richard, passing unanimously.

The meeting adjourned at 11:27 A.M.

APPROVED:

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John Richard, Ex-Officio

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Kevin McInerney, Appointed

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Denise M. Merriam, Elected (Ends 6/30/2023)  
Chairperson

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Robert W. Newton, Elected (Ends 6/30/2023)

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Neil W. Janssens, Appointed (Ends 1/1/2024)