

The regular meeting of the Gardner Contributory Retirement Board was called to order by the Chairperson, Denise Merriam, on Thursday, August 26, 2021, at 10:00 AM in the Hubbard Conference Room, City Hall Annex, Room #203. All Board Members were present. The Board Chairperson announced that due to the discussion regarding an accidental disability retirement application, including the review of the last five (5) years of their medical records, the meeting will be conducted in Executive Session, and will be re-opened at the conclusion of the Executive Session.

A motion was made by John Richard, seconded by Kevin McInerney, to enter Executive Session to review an application for an accidental disability retirement. On roll call, the vote was as follows:

VOTED:	Neil Janssens	Yes
	Kevin McInerney	Yes
	Robert Newton	Yes
	John Richard	Yes
	Chairperson, Denise Merriam	Yes

A motion was made by John Richard, seconded by Robert Newton, to reconvene in Open Session. On roll call, the vote was as follows:

VOTED:	Neil Janssens	Yes
	Kevin McInerney	Yes
	Robert Newton	Yes
	John Richard	Yes
	Chairperson, Denise Merriam	Yes

This ends the Executive Session minutes of August 26, 2021, at 10:17 AM.

On a motion by Robert Newton, seconded John Richard, the Board unanimously voted to approve the minutes of the regular meeting of July 24, 2021, with a correction to the typo on page 2 correcting the word one to on. The Board then signed the permanent minutes of the regular meeting of June 24, 2021.

On a motion by John Richard, seconded by Kevin McInerney, the board unanimously voted to approve the Trial Balances and General Ledger Histories for June 2021 and to accept the City Treasurer's bank reconciliations for June 2021.

On a motion by John Richard, seconded by Kevin McInerney, the Board unanimously voted to approve Warrant #08/21 dated August 31, 2021, totaling \$605,628.94.

Vendor	For	Amount
NECS	INV#AR102366	\$ 229.05
Law Offices of Michael Sacco	Invoice #6391	\$ 187.00
Lauren J. Spooner	Refund ASF 0.7500 Cr. Serv.	\$ 1,506.11
City of Gardner	F/W Lauren J. Spooner	\$ 376.53
Maribel Cruz	Refund ASF 3.5833 Cr. Serv.	\$ 17,661.80
City of Gardner	F/W Maribel Cruz	\$ 4,415.45
Pension Payroll #08/21	Annuity Paid	\$ 96,909.55
	Pension Paid	\$ 476,667.29
	Veteran's Benefits Paid	\$ 273.75
	Dependents Paid	\$ 288.38
	COLA Paid	\$ 7,114.03
TOTAL WARRANT #08/21		\$ 605,628.94

The Board next reviewed the PRIM statement for the Gardner Retirement System for the month of July 2021, noting a positive \$535,372.56 Net Change in Investment Value for the month. The Management Fees for the month were \$10,135.80.

Under “Correspondence” the Board reviewed PERAC Memo #23/2021; and PERAC Memo #24/2021.

The Board then reviewed *The Voice*, September 2021. Board Member, Neil Janssens, mentioned the article in this issue of the voice by Mass Retirees President, Frank Valeria and how retirees should benefit financially from the asset gains.

Under “Old Business”, the Retirement Board discussed the Accidental Disability Retirement application during their Executive Session held at the beginning of the Board Meeting.

Under “Old Business”, City Auditor and Ex-Officio Member, John Richard briefly reviewed the meeting he had with Mayor Michael Nicholson regarding the FY2023 appropriation that will be required by the City of Gardner to meet the scheduled contribution as dictated by the Board approved Funding Schedule that will be incorporated in the January 1, 2021 Actuarial Valuation Report. John Richard informed the mayor that the Board is looking to reduce the current funding schedule to 9 years with 7.00% increases and a discount rate of 7.00%. The Mayor indicated to Board Member John Richard, that the 7.00% annual increases seem doable.

On a motion by Neil Janssens, seconded by John Richard, the Board unanimously voted to utilize a funding schedule with a 9-year duration, reaching a full funding position in 2032, using a 7.00% contribution increase on the prior year’s contribution amount and increasing 7.00% thereafter, and reducing the discount rate to 7.00%.

The Board next reviewed an email received from Stone Consulting regarding the Asset Smoothing example that the Board had requested. City Auditor and Ex-Officio Member, John Richard stated that he does not feel that the Retirement Board needs the Asset Smoothing at this time and that the Board could catch up on any financial losses in the following year after the loss has been incurred.

On a motion by John Richard, seconded by Kevin McInerney, the Board unanimously voted to decline the Asset Smoothing that was presented and recommended by Stone Consulting at the Board’s July 24, 2021 monthly Board Meeting.

Board Administrator, Cheryl Bosse, will notify the Actuary, Stone Consulting, Inc. of the Board’s decision to reduce the discount rate to 7.00%, the funding schedule that has been approved and that the Retirement Board is declining the Asset Smoothing at this time.

Under “New Business”, the Board Administrator, Cheryl Bosse, updated the Board Members of an inactive member that had contacted the Retirement Board office recently regarding her creditable service and potential retirement benefit now that she has obtained the age of 55 on July 2, 2021. Wendy Poudrette who worked for the City of Gardner from 04/25/1994 to 04/26/2004, with some of this time being at reduced weekly hours of 25 hours or 30 hours a week. After the initial telephone call between Mrs. Poudrette and Cheryl, the Board Administrator reviewed the file that the Retirement Board has for Mrs. Poudrette. Inside Mrs. Poudrette’s file were numerous documents

regarding her reduced hours and the need for her creditable service to be pro-rated prior to her retirement. Inside Mrs. Poudrette's file there is a letter of understanding between the City of Gardner dated August 14, 1996 and signed by Michael Smith, City Treasurer and Mrs. Poudrette stating that effective 09/01/1996 Mrs. Poudrette's weekly work hours will be reduced to 25 hours per week, ($25/37 = 67.57\%$ creditable service). The second documentation used to pro-rate Mrs. Poudrette's creditable service was a Change in Position/Salary notice that the retirement board received on 03/13/2003, dated 02/13/2003 regarding a change in position to senior account clerk for the Gardner School Department with weekly hours of 30 hours per week ($30/37 = 81.08\%$ creditable service). Mrs. Bosse informed the Board Members that there is also handwritten notes from previous Board Administrator Ruth LaFreniere showing Mrs. LaFreniere's calculations for the reduction to Mrs. Poudrette's creditable service with the reduction of the weekly hours worked and the percentage of creditable service. Mrs. Bosse gave the Board Members copies of all the documentation that was in Mrs. Poudrette's file held in the retirement board office regarding the reduction in weekly hours.

The Board Members were also given copies of the emails exchanged between the Board Administrator, Cheryl Bosse, and inactive member Wendy Poudrette.

Mrs. Poudrette informed the current Board Administrator of the numerous communications that Mrs. Poudrette received from the previous Retirement Board Administrator, Cliff Melatti regarding her creditable service and whether she should request a refund of her annuity savings fund balance. Previous Board Administrator, Cliff Melatti, informed Mrs. Poudrette that she should wait until she obtains the age of 55 and apply for superannuation retirement.

Board Administrator, Cheryl Bosse reached out to Public Employee Retirement Administration Commission (PERAC) and spoke with Judith Corrigan, General Counsel. Judith Corrigan informed Mrs. Bosse that the creditable service time that Mrs. Poudrette worked **before** Gardner's Supplemental Regulation went into effect on 12/31/1998 would be 100% creditable service regardless of the weekly hours that a member worked. Mrs. Bosse updated Mrs. Poudrette's creditable service for 09/01/1996 thru 12/31/1998 to be 100% creditable service. (2.750 years). Ms. Corrigan also informed the Board Administrator that "mistaken guidance from a retirement board employee will not awaken a benefit to which a member is not otherwise entitled".

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Board Administrator, Cheryl Bosse informed the Board Members that Mrs. Poudrette currently has 8 years and 4 months of creditable service (8.3333), and that Mrs. Poudrette needs an additional 1 year and 8 months of creditable service to obtain the required 10 years of creditable service to be eligible for a retirement allowance.

On a motion by John Richard, seconded Robert Newton, the Board unanimously voted to Deny the creditable service adjustment of 1 year and 8 months to bring inactive member Wendy Poudrette to 10 years of creditable service.

Board Administrator, Cheryl Bosse will draft a letter for the inactive member to be signed by the Board Chairperson, Denise Merriam.

Board Administrator, Cheryl Bosse, updated the Board on the matter of Matthew Bosworth, a re-hired employee with the DPW as a laborer. Mr. Bosworth took a refund of his creditable service time of 1 year and 5 months for 04/22/2019 to 09/22/2020 on 06/30/2021 and he would like to buyback the 1 year and 5 months of creditable service time. The current cost of the buyback is \$6,727.98.

On a motion by Robert Newton, seconded John Richard, the Board unanimously voted to approve Mr. Bosworth's request to be eligible to buy back his one (1) year and five (5) months of creditable service with the Gardner Retirement Board that he was previously refunded.

Cheryl Bosse', Board Administrator, updated the Board that 261 Annual Affidavits were mailed out with the June 2021 payroll to retirees and survivors and 241 have been returned to the retirement board office. Of the 20 outstanding affidavits, 10 are from Gardner residents and 10 are from retirees and survivors that live outside of Gardner. Second notices were mailed to the 20 outstanding retirees and survivors. Retirees and survivors had until August 20, 2021, to return their 2021 affidavits.

The next regular meeting is scheduled for Thursday, September 23, 2021, at 10:00 AM.

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

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

The meeting adjourned at 11:27 A.M.

APPROVED:

John Richard, Ex-Officio

Kevin McInerney, Appointed

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

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

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