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 Gardner Contributory Retirement Board
July 28, 2020

The regular meeting of the Gardner Contributory Retirement Board was called to order by the Chairperson, Denise Merriam, on Tuesday, July 28, 2020 at 10:05 AM at Department of Public Works, 50 Manca Drive, Gardner MA Conference Room and remote participation. All Board Members were present.

On a motion by John Richard, seconded Robert Newton, the Board unanimously voted to approve the minutes of the regular meeting of June 25, 2020 with a correction to a typo on page 2 changing the word not to the word no. The Board then signed the permanent minutes of the regular meeting of May 26, 2020.

On a motion by Kevin McInerney, seconded by Neil Janssens, the Board unanimously voted to approve the Trial Balance and the General Ledger History for May 31, 2020 and to accept the City Treasurer’s bank reconciliation for May 2020.

On a motion by Kevin McInerney, seconded by John Richard, the Board unanimously voted to approve Warrant #07/20 dated for July 31, 2020, totaling \$560,566.09

| Vendor | For | Amount |
|-----------------------------|---------------------------------|----------------------|
| Stone Consulting, Inc. | Invoice #48-062020 | \$ 4,850.00 |
| Melanson | Invoices #598526 | \$ 4,000.00 |
| N.E.C.S. | Invoice #AR57534 | \$ 500.00 |
| Cheryl A Bosse | Reimb. Notary Supplies | \$ 44.98 |
| WB Mason | Invoice #211969220 & #212090925 | \$ 28.47 |
| | | |
| Pension Payroll #07/20 | Annuity Paid | \$ 88,089.29 |
| | Pension Paid | \$ 455,457.34 |
| | Veteran's Benefits Paid | \$ 248.75 |
| | Dependents Paid | \$ 199.36 |
| | COLA Paid | \$ 7,147.90 |
| TOTAL WARRANT #07/20 | | \$ 560,566.09 |

The Board next reviewed the PRIM statement for the Gardner Retirement System for the month of June 2020, noting a positive \$164,359.93 Net Change in Investment Value for the month. The Management Fees for the month were \$52,624.39.

Under “Correspondence” the Board reviewed PERAC Memo #24/2020; PERAC Memo #25/2020; and PERAC Memo #26/2020. The Board also reviewed PERAC Pension News #55, July 2020.

The Board then discussed Emerging Issues currently scheduled for Thursday, September 17, 2020. If the event is a virtual event, the Board will watch the presentation in the conference room at the Department of Public Works Building. Board Administrator, Cheryl Bosse will reserve the conference room for the day for the Retirement Board.

There were no items under “Old Business” for the July 2020 Board Meeting.

Under “New Business,” the Board was joined via a zoom meeting by Larry Stone and Colin Edgar, Actuaries from Stone Consulting, Inc., who presented the preliminary results of the January 1, 2020 Actuarial Valuation. The preliminary results show an actuarial asset gain in calendar year 2019. Mr. Stone informed the Board that the asset gain experience in 2020 has been volatile and asset returns, mortality, and salary are all subject to great fluctuation. They will be able to evaluate the impact of 2020 and the effects of the coronavirus more clearly in 2021. Mr. Stone recommends the Board change the current discount rate from 7.25% to either 7.125% or 7.00%. 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 7.125% and 7.00%. 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.

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.

Larry Stone and Colin Edgar from Stone Consulting, Inc. departed the Board meeting via zoom meeting at 10:30 A.M.

Ex-Officio Board Member, John Richard, will request a meeting with Mayor Michael Nicholson 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 at the next Retirement Board Meeting, scheduled for Tuesday, August 25, 2020 at 10:00 A.M.

After the zoom meeting with Stone Consulting, Inc. was completed, Board Member, Neil Janssens asked what would be the impact if we increased the COLA Base to either \$14,000.00 or \$15,000.00. Board Administrator, Cheryl Bosse will reach out to Stone Consulting, Inc. and get the information for the Board Members.

Under "New Business", the Board reviewed the *Draft* Audit Report and the Representation Letter received from Melanson & Heath for the Audit of 12/31/2019.

On a motion by John Richard, seconded Kevin McInerney, the Board unanimously voted to approve the *Draft* Audit Report of 12/31/2019 and the Representation Letter dated July 28, 2020 received from Melanson & Heath.

Board Chairperson, Denise Merriam, and Ex-Officio Board Member, John Richard, signed the Representation Letter for Melanson & Heath.

Board Administrator, Cheryl Bosse, updated the Board Members that 254 of the 2020 Annual Affidavits were mailed out on June 29, 2020 with their June payroll checks and notice of deposits. Of the 254, 178 have been returned and 76 are still outstanding. Retirees and Survivors have until August 21, 2020 to return their 2020 Annual Affidavits. Second notices will be mailed out the remaining 76 retirees and survivors that have not returned their annual affidavits.

On a motion by Robert Newton, seconded by John Richard, the Board unanimously voted to grant superannuation retirement benefits to Susan M. Prentiss, Senior Clerk, Treasurer/Tax Collector's Office, Option B, effective June 26, 2020.

On a motion by Robert Newton, seconded by John Richard, the Board unanimously voted to grant superannuation retirement benefits to Denise M. Merriam, Administrative Assistant, Department of Public Works, Option B, effective June 27, 2020.

On a motion by Robert Newton, seconded by John Richard, the Board unanimously voted to grant superannuation retirement benefits to M. Jane Nisula, Paraprofessional, Option B, effective June 30, 2020.

The Board then recognized the death of Aurele Richard, Retired Department of Public Works Laborer, Option A, on June 29, 2020.

The next regular meeting is scheduled for Tuesday, August 25, 2020, at 10:00 A.M.

There being no further business, a motion to adjourn at 11:05 A.M. was made by Kevin McInerney, seconded by Robert Newton, passing unanimously.

The meeting adjourned at 11:05 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 1/1/2021)