

**Swampscott Retirement Board & Select Board Joint Meeting
Meeting Minutes
June 7, 2023**

A joint meeting of the Contributory Retirement Board & Select Board was held in the Swampscott High School on Monday, June 26, 2023.

Present:

Chair Thomas Driscoll, Vice-Chair John Behen, Robert Powell, Kevin Breen, Amy Sarro, Retirement Board Ex Officio & Director of Administration & Finance, Select Board members; Chair Dave Grishman, Vice Chair Katie Phelan, Mary Ellen Fletcher, Doug Thompson & Peter Spellios, Town Administrator Sean Fitzgerald

The meeting was called to order by Chair Driscoll at 8:15pm.

Chair Driscoll read the following to the Select Board:

On behalf of the Swampscott Contributory Retirement Board, I would like to tell you in general why we must come before you at your June 7th Select Board meeting. The Massachusetts House of Representatives and Senate (unanimously) passed specific legislation and Governor Baker signed into law an option to give an additional one-time cost of living increase (COLA) of 2% to retirees.

Unlike the yearly COLA increases set solely by the Retirement Board, our vote to support must be approved by the Select Board under our form of government. The vote by the Retirement Board to support this additional 2% was 4-1. The rationale behind this one-time COLA increase was to take into consideration the impact of the post COVID 19 pandemic rate of inflation that is significantly higher than projected. It is also based on the Social Security COLA of 8%. Public employee retirees do not receive Social Security benefits.

There are several factors we hope you will take into consideration. Every Swampscott retired teacher and state employee has received the additional 2% COLA through the State Retirement Board and Mass Teachers' Retirement System. A vast majority (increasing weekly) of municipalities have approved the onetime 2% COLA increase. This includes most all the cities and towns in our region. The only exception is Peabody, but they chose instead to increase the yearly base for COLA increases to make it a more permanent increase.

The increased COLA has already been factored into our current funding schedule. Although it will increase the overall amount of the unfunded liability, it is spread out and has its real effect on the end of that schedule and the Town's obligation in 2030.

We appreciate your assistance in this matter.

Robert Powell discussed the financial costs of the additional 2% COLA.

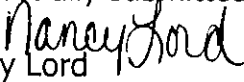
The Retirement Board informed the Select Board that there were 60 communities that had already approved the additional 2% COLA, including some that were not as financially sound. The 2% COLA increase would have no impact on the FY24 budget but would affect 2031. Select Board member Thompson spoke in support of the additional COLA. Select Board member Fletcher was concerned about the increase in the funding schedule & the 860k in 2031 along with health insurance increases. Amy Sarro stated the increase has been between 4%-7% annually.

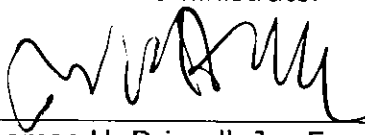
Chairman Driscoll stated the Retirement Board has been structuring and making changes using actuaries and has worked to lower the investment return assumption rate which is currently at 7% effective 7/1/2023 & have done very well on returns.

Select Board member Spellios would like to get input from FinCom prior to making any decisions. Select Board Vice Chair Phelan agreed especially where Retirement Board member Amy Sarro voted no to the additional 2% increase. Town Administrator Fitzgerald stated that it is Ms. Sarro's job to look after taxpayers and asked the Retirement Board consider extending the funding schedule to help the Town. Retirement Board member Kevin Breen stated it's a small amount per individual but grows due to compounding. The Retirement Board asked that the Select Board discuss this with FinCom before the end of the fiscal year. The Retirement Board will schedule to meet with FinCom as well and come back before the Select Board before the end of the fiscal year.

The Board voted unanimously on a motion made by Kevin Breen and seconded by Robert Powell to adjourn the meeting at 8:59 p.m.

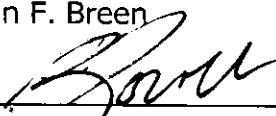
Respectfully submitted,

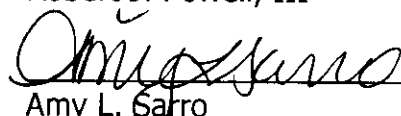

Nancy Lord
Retirement Administrator


Thomas H. Driscoll, Jr., Esq. Chair, Appointed

John F. Behen, Jr. Vice-Chair, Elected Member


Kevin F. Breen Elected Member


Robert J. Powell, III Appointed Member


Amy L. Sarro Ex-Officio