

**Swampscott Retirement Board & Select Board Joint Meeting
Meeting Minutes
June 26, 2023**

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

Present (In-Person):

Vice-Chair John Behen, Robert Powell, Select Board members; Chair Dave Grishman, Vice Chair Katie Phelan, Mary Ellen Fletcher, Doug Thompson & Peter Spellios, Town Administrator Sean Fitzgerald

Present (Remote):

Amy Sarro, Retirement Board Ex Officio & Director of Administration & Finance, Erik Hartmann, FinCom Chair

The meeting was called to order by Vice Chair Behan at 7:30pm.

This joint meeting was a follow-up to the meeting held with the Select Board on June 7th to discuss the additional 2% COLA. 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 of 2% to retirees. However, Unlike the yearly COLA increases set solely by the Retirement Board, the additional 2% must be approved by the Select Board under Swampscott's form of government. The vote by the Retirement Board to support this additional 2% was 4-1. At its joint meeting on June 7th, with the Select Board, the Select Board had asked the Retirement Board to get an opinion from FinCom regarding the additional 2% COLA. (The Retirement Board did meet with the FinCom on June 22, 2023.)

Amy Sarro stated that the additional 2% was an estimated \$860,000 increase in the value of the funding schedule in 2031. She stated decisions made such as the additional 2% can impact the Town for many years. Ms. Sarro said the budget grows about 2.5% annually and she did not feel the additional 2% fit with the Town's financial policies.

Select Board member Doug Thompson said we are not just talking about a number but also about the people who worked for the Town, helped to build it and are not eligible for social security, which provided an 8% increase. Many of the retirees have pensions of \$14,000. This is not a lot of money, \$10-\$20 per month. The \$860,000 amounts to about \$42 increase per taxpayer. Mr. Thompson mentioned that it is a different situation from contract negotiations. Retirees are on a fixed income and not all of them can work to earn additional income. He urged the Select Board to consider a favorable vote. Ms. Sarro stated the monthly difference with the additional 2% COLA is \$23.33 on the 14K base.

Select Board member Mary Ellen Fletcher informed the Board that she had researched the data and spoken to many retirees as well. She further stated that the Town has \$150million

in unfunded liability and felt that adding the additional \$860k would be difficult. Ms. Fletcher said she would like to do a needs test and look at the retirees who worked 30-40 years ago and use ARPA funds for a one-time disbursement. She asked that the Select Board look at different ideas.

Erik Hartmann, Chair of the FinCom informed the Board that five FinCom members met the previous week and there were two supporting, three either not supporting or leaning toward not supporting and a sixth who emailed him and said he is not in support.

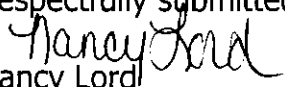
Town Administrator Sean Fitzgerald stated there are other financial issues facing the Town including health care costs, which have increased by 22%. He stated he would work with the Retirement Board to find better health care for retirees, better services, perhaps use ARPA funds.

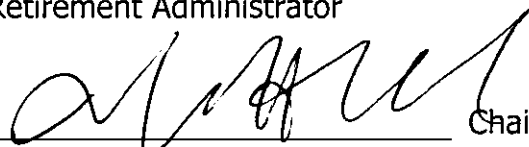
Vice Chair Behen stated that the Town Administrator could have gone to the Retirement Board meetings. He stated we all love the Town and are trying to get the best value for our taxpayers. The Retirement System has plus of \$78 million dollars in its portfolio and is in the top twelve of all pensions. Mr. Behen feels the additional 2% is a small amount of money to give. Vice Chair Behen stated he feels people are not coming to work for Swampscott and many people are leaving. Additionally, Vice Chair Behen commented that Ms. Fletcher comes to many of the Retirement Board meetings and there are good conversations. He expressed a need for all to work together: Select Board, FinCom and the Retirement Board. He also stated that Ms. Sarro is under the direction of the Town administrator but the majority of the Board, four out of five, believe this is the vehicle to help retirees. Retirees have earned this additional 2% and deserve it. Not all retirees can go back to work.

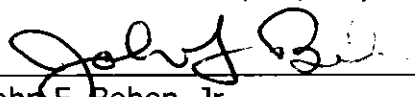
The Select Board voted 4-1 to reject the Retirement Board's recommendation to increase the COLA by an additional 2%. Doug Thompson voted in the affirmative. Dave Grishman, Katie Phelan, Mary Ellen Fletcher and Peter Spellios opposed.

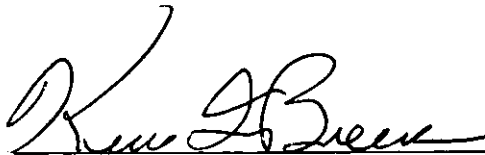
At 8:36 pm the Retirement Board voted unanimously on a motion made by Robert Powell and seconded by Amy Sarro, to adjourn the Retirement Board meeting.

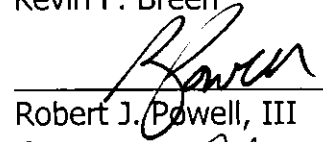
Respectfully submitted,



Nancy Lord
Retirement Administrator


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


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


Kevin F. Breen Elected Member


Robert J. Powell, III Appointed Member


Amy L. Sarro Ex-Officio