

**Swampscott Retirement Board
Meeting Minutes
February 22, 2022**

A meeting of the Contributory Retirement Board was held in the first-floor conference room of Town Hall on Tuesday, February 22, 2022.

Attendance:

Chair Thomas Driscoll, Jr., Vice Chair John F. Behen, Kevin F. Breen (8:22am), Robert Powell, III and Amy Sarro.

Guests: Greg McNeillie, DAHAB Consultants

The meeting was called to order by the Chairman at 8:04am.

Performance Review

DAHAB Consultant, Greg McNeillie met with the Board to review the 4th Quarter Performance Report of the System for the period ending December 31, 2021. On December 31, 2021, the Swampscott Retirement System's Total Portfolio was valued at \$88,355,643 representing an increase of \$3,002,188 from September 2021. However, as of the current date the portfolio had taken an approximate loss between 8-9% or about \$7-8 million. The full report is on file in the Retirement office. There was also a discussion on communities that have bonded the unfunded liability. Chair Driscoll asked Mr. McNeillie if he had any outside experience on the matter but would not hold him responsible for anything he discussed. Mr. McNeillie had some limited experiences. Brockton is one of the cities that issued pension obligation bonds to reduce unfunded liability.

Minutes

The Board voted unanimously on a motion made by Kevin Breen and seconded by Amy Sarro to approve the following meeting minutes:

- January 22, 2022

Acceptance of New Member Enrollments

The Board voted unanimously on a motion made by Amy Sarro and seconded by Kevin Breen to approve the following new members:

- Dean Albert - SPS Tutor DOH 1/31/22
- Jenna Deiulis - SPS Tutor DOH 1/7/22
- Justin Gregoire - SPS Perm Substitute DOH 2/7/22
- Mallory Marlowe - SPS Tutor DOH 1/18/22
- Daniela Soto - SPS ESP DOH 1/31/22
- Maihlikhaa Walker - SPS Tutor DOH 1/3/22

Retirements

- None

Deaths

- None

Administrative Reports Put on File:

The following administrative reports were put on file:

- PERAC Memo # 7 Buyback & Makeup Worksheets
- PERAC Memo # 8 Actuarial Data

Expenses/Financials:

The Board voted unanimously on a motion made by Kevin Breen and seconded by Amy Sarro to approve the following:

- Expense Warrant 2/2022 \$252,308.64

The Board voted unanimously on a motion made by Kevin Breen and seconded by Amy Sarro to approve the following:

- Payroll Warrant 02/25/2022 \$602,336.92

The Board voted unanimously on a motion made by Kevin Breen and seconded by Amy Sarro to approve the following:

- People's Transfer to MM Account \$600,000.00

The Board voted unanimously on a motion made by Kevin Breen and seconded by Amy Sarro to approve the following:

- PRIM Transfer to People's Bank \$550,000.00

December financials were reviewed, cash receipts, disbursements adjustments, trial balance & bank reconciliations.

Transfers/Refunds/Rollovers

The Board voted unanimously on a motion made by Amy Sarro and seconded by Robert Powell to take all refunds and transfer with one vote.

The Board voted unanimously on a motion made by Robert Powell and seconded by Kevin Breen to approve the following transfers/refunds/rollovers:

- Douglas Ward - Former SPS Security Monitor - Transfer to Salem

- Amber Marzec - Former SPS Tutor - Transfer to Essex Regional
- Julie Travers - Former SPL Dept Head - Transfer to Gloucester
- Estate of Abigail Rogers - Former SPS Teacher's Aide - Transfer to MTRS
- Jannelle Saez - Former SPS Special Assistant - Refund
- John Tsouvalas - Former SPS Sub - Refund
- Acadia Mezzofanti - Former SPS Tutor - Refund

Buyback/Makeup Requests

None

Old Business

Past Approved Funding Schedule

Vice Chair Behen presented the Board with his concerns regarding the possibility of changing/revoting the FY'23 funding schedule (#4 presented by Segal) which was already approved by Retirement Board at its meeting in July 2021 and previously approved by PERAC. He reminded the Board that PERAC's Actuary, John Boorak, had emailed the Board on 2/9/2022 changing the schedule "is allowable but might not be recommended". Mr. Behen further reminded the Board that when they had previously revised the FY'21 funding schedule & reduced the assumption rate and to keep the schedule level funded, the Board received a letter from the Executive Director of PERAC, John Parsons on 11/7/2019 stating that "although the law allows such a schedule, we do not recommend such an approach". Furthermore Mr. Parson's stated it was approximately "\$167,000 less than the FY'21 amount under the prior schedule". Vice Chair Behen stated that MGL Ch 32 has strict guidelines and regulations regarding funding schedules that the local boards must adhere to. Remaining level funded and/or extending the funding schedule out will only increase costs in the long-term. Therefore, causing additional burden on the local taxpayers. Vice Chair Behen does not feel this is best business practice nor in line with the current trends amongst the retirement boards in the Commonwealth. The Board should be following the advice of the professionals, Segal and PERAC.

the Board instructed the Administrator to reach out to Lisa VanDermark at Segal Consultants to prepare two additional funding schedules which were slightly different then the three voted on at the meeting of February 8th. **

- 1) Extend the funding schedule out 1 year at the current assumption rate
- 2) Level fund the FY23 to FY22 appropriation with the current fully funded date

** (Voted on February 8th meeting - Extend the current funding schedule out 1 year at the current assumption rate, extending the current schedule out 2 years at the current assumption rate & extending the current schedule out 3 years & changing the assumption rate to 6.875 on year 3. Segal had previously given a cost estimate only on these schedules.)

2021 Budget Recap

The Administrator presented the Board with the final expense budget for 2021 for review.

New Business:

2022 Draft Budget

The Administrator presented the Board with a draft calendar 2022 budget for review.

Adjournment

The Board voted unanimously on a motion made by Amy Sarro Behen and seconded by Kevin Breen to adjourn the meeting at 10:54am.

Respectfully submitted,

Nancy A. Lord
Retirement Administrator

 Chair, Appointed

Thomas H. Driscoll, Jr., Esq.

 Vice-Chair, Elected Member


John F. Behen, Jr.

 Elected Member

Kevin F. Breen

 Appointed Member

Robert J. Powell, III

 Ex-Officio

Amy L. Sarro