

The meeting of the Andover Contributory Retirement Board was called to order on Thursday June 22, 2023, at 8:36 AM in the second-floor conference room located in the Town Offices. Members participating: Haley Green, Chair, Tom Hartwell, Elena Kothman, Blackwell Taylor, and Eric Teichert. Also present: Office Coordinator Helen Armano and Recording Secretary Susan McKelliget. Chief Financial Officer Patrick Lawlor was also in attendance.

Thank you to Tom Hartwell:

Ms. Green noted this would be Mr. Hartwell's last Retirement Board meeting and thanked him for his nine years as a member of the Board. She cited examples where his influence educated and impacted both the Board and the community on issues such as discount rates, actuarial assumptions, and funding ratios. She noted he made recommendations based on what would be good for the system. On behalf of the Board, Ms. Green presented him with a plaque of appreciation and gratitude.

Mr. Hartwell said he enjoyed his time on the Board, and despite ups and downs, he feels things bode well for the retirement system at this point. After nine years, he felt it was the right time to leave the Board and he feels the Andover Retirement System, with the current discount rate, funded ratio, and POB, was in good shape. In response to Mr. Hartwell's question about when a new member may be in place, Ms. Green said the Select Board will be taking up the matter at one of their July meetings.

Actuarial Valuation

Ms. Green reported that Linda Bournival, from KMS Actuaries, sent a revised Actuarial Valuation of the Andover Retirement System as of 01/01/2023 and the GASB 67 & 68 Final Report as of 12/31/2022. One of the pages of the valuation needed to be updated relative to mortality tables used but did not affect the actual data.

Mr. Hartwell said he has been impressed with these reports and Ms. Kothman agreed that Ms. Bournival is clear in her explanation of various matters within the Actuarial report. Ms. Green also agreed, saying Ms. Bournival's presentation was very good and easy to understand.

Investments

Statements:

MMDT:

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5 -0 to approve the MMDT statement for 05/31/23.

MassPRIM/PRIT:

Ms. Kothman noted the Statement for 05/31/23 was a hand-out. Members briefly discussed the market being down this week, which may be in response to an increase in the interest rate coming up. It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve the MassPRIM/PRIT Statement for 05/31/23.

RhumbLine:

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve the following RhumbLine Statements received: Mid Cap 400 & Small Cap 600 for 05/31/2023.

MassPRIM/PRIT

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to confirm the wire transfer of \$1,400,000.00 for May operating expenses.

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve a wire transfer of \$1,325,000.00 for June operating expenses.

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve a wire transfer of up to \$1,600,000.00 for July operating expenses.

### Minutes

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve the minutes of May 25, 2023 - Regular and Executive Session.

### Monthly Payroll

It was moved by Mr. Hartwell seconded by Mr. Teichert and voted 5 -0 to approve the payroll as follows:

June 2023	Annuity	309,098.45	
	Pension	1,261,001.40	Total 1,570,099.85

### Expenses - June expense warrant #2023-06

Danvers Retirement, 3(8)(c ) bill	6,191.20
Konica Minolta Business Solution, BW & Color Copies	18.49
Konica Minolta Premier Finance, monthly fee	168.00
Elena Kothman - ET digital access reimbursement for April	26.99
Lawrence Retirement: Transfer out acct of Lauren Girroir	5,360.42
Deds = 9% = \$5,337.98, interest = \$22.44	
Cred Serv = 3.2500 years = 12/05/2016-03/06/2020	
Andover = 04/08/2019-03/11/2020 = 0.9167 years	
MTRS - Transfer out: Acct of Meagan Keefe	5,661.34
Deds = 9% = \$5,759.59, 2% = -\$125.31, interest = \$27.06	
Cred Serv = 2.8333 year = 10/02/2017-08/30/2020	
Refund: Acct of Michelle Calabro	1,949.24
Deds = 9% = \$1,834.95, interest = \$114.29 (forf int = \$138.98)	
Cred Serv = 1.0000 years = 09/01/2017-08/31/2018	
Refund/Rollover: Acct of Aimee Ciccariello	3,438.92
Deds = 9% = \$3,059.59, 2% = \$187.47, interest = \$191.86 (forf int = \$200.33)	
Cred Serv = 0.8333 years = 04/02/2018-02/05/2019	
Refund/Rollover: Acct of Melyssa Langell	9,500.25
Deds = 9% = \$8,458.51, 2% = \$674.46, interest = \$367.28	
Cred Serv = 1.9167 years = 08/31/2020-08/01/2022	

### Expenses - June expense warrant #2023-06 (cont'd): (Board vote required)

Refund/Rollover: Acct of Yuka Nakamura	10,249.03
Deds = 9% = \$9,213.96, 2% = \$5.07, interest = \$1,030.00	
Cred Serv = 5.0000 years = 08/29/2016-08/29/2021	
Refund/Rollover: Acct of Dorothy Panarese	9,472.43
Deds = 9% = \$8,969.78, 2% = \$24.67, interest = \$477.98	
Cred Serv = 3.6667 years = 04/01/2019-12/21/2022	
Refund/Rollover: Acct of Kyle Rillahan	11,771.25
Deds = 9% = \$10,205.50, 2% = \$545.87, interest = \$1,019.88 (forf int = \$262.88)	
Total Cred Serv = 3.1667 years	
Andover = 08/31/2015-03/12/2016 = 0.5000 years	
Andover = 08/29/2016-09/01/2017 = 1.0000 year	
Andover = 08/27/2018 = 04/15/2020 = 1.5833 years	
Refund: Acct of Amanda Sanzo	349.17
Deds = 9% = \$331.54, interest = \$17.63 (forf int = \$13.11)	
Cred Serv = 0.8333 years = 08/26/2019-10/09/2019	

Refund/Rollover: Acct of Elisabeth Tamarkin	5,489.74
Deds = 9% = \$5,225.28, interest = \$264.46	
Cred Serv = 3.0000 years = 08/26/2019-08/26/2022	
<u>Refund/Retro FY23 5% COLA to deceased retirees:</u>	
Estate of Bernard S. Awtrey Jr.	122.06
Payee: Sloane Awtrey	
Estate of James Bamford	113.95
Payee: Ashley Fisher	
Estate of James Brightney	15.18
Payee: Patricia Brightney	
Estate of Jean DiGloria	4.50
Payee: Rocco DiGloria	
Estate of Phyllis Furey	79.60
Payee: Patricia Croteau	
Estate of Kaija Gilmore	153.09
Payee: Estate of Kaija M. Gilmore	
Estate of Mary Hamilton	8.40
Payee: John Hamilton	
Estate of Robert McClory	62.78
Payee: Wayne McClory	
Estate of Phillip Newcomb	41.68
Payee: Elizabeth Newcomb	
Estate of Eileen Peterson	107.56
Payee: Estate of Eileen Peterson	
Estate of Muriel Picard	78.28
Payee: Pamela Picard	
Estate of Mary Poole	76.36
Payee: Estate of Mary Poole	
Estate of Joseph Potvin	130.02
Payee: Sandra Potvin	
Estate of Wallace Runge	22.37
Payee: Kirsta Runge	
Total Refund/Retro FY23 5% COLA:	1,015.83
Eric Teichert, Travel reimbursement MACRS conference	763.58
The Law Offices of Michael Sacco, May 2023	806.00
Town of Andover:	
Elena Kothman	10,548.50
Helen Armano	8,066.30
Vincent Malgeri	1,713.60
Susan McKelliget (05/25/2023)	250.00
Total Salaries:	20,578.40
Town of Andover:	
Hayley Green	250.00
Michael Morse	250.00
Total Stipends:	500.00
Town of Andover, reimbursement for staff health insurance	28,103.12
WB Mason, Misc Office Supplies	325.23
<u>Total expenses - Warrant #2023-06:</u>	121,738.63

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve the total expenses of \$121,738.63 as printed in warrant #2023-06. Ms. Green abstained from voting on her stipend, Ms. Kothman abstained from voting on her salary and her ET digital access reimbursement, and Mr. Teichert abstained from his reimbursement for MACRS conference expenses. Mr. Hartwell asked if the refund/rollovers were due to the list of inactive members. Ms. Kothman responded yes and stated it also included refunds due to deceased retirees for the additional one time COLA payment.

The Board noted the following receipts.

Receipts:

Employee Contributions - May 2023:

Town	242,523.12	
School	113,438.22	
AHA	4,657.16	
Total employee contributions:		360,618.50

Transfers in:

Tara Bicknell, Town, from Middlesex County Ret Sys 29,444.47

Deds = 9% = \$26,569.31, 2% = \$2,812.21, interest = \$62.95

Total Cred Serv = 5.0833 years

Middlesex County = 3.8333 years = 12/29/2017-10/29/2021

Middlesex County = 1.2500 years = 11/01/2021-02/03/2023

Jennifer L Burke, Town, from Middlesex County Ret Sys 69,501.88

Deds = 9% = \$65,147.21, 2% = \$3,659.00, interest = \$695.67

Cred Serv = 18.1667 years = 01/10/2005-03/17/2023

Transfers In total: 98,946.35

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve transfers in total of \$98,946.35.

Total Receipts: 491,803.07

Intents to Retire:

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve the following intents to retire:

Linda Lawrence, School, DOR 06/30/2023, Cred Serv = 23y, 7m, Superannuation

Kim Buxton, School, DOR 07/01/2023, Cred Serv = 20y, 2m, Superannuation

Lori Ann Burke, Town/Library, DOR 07/09/2023, Cred Serv = 21y, 5m, Superannuation

David Billard, Town/Assessors, DOR 07/09/2023, Cred Serv = 34y, 1m, Superannuation

Thyra Sherman, School, DOR 09/01/2023, Cred Serv = 20y, Superannuation

Makeup Request:

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve the following makeup request:

Cynthia Distefano, School - request to buy back previous time worked for the School prior to joining the municipal retirement system - Cred Serv = 3.5m = 02/21-08/31/2013

Deaths

The board was informed of the following deaths and Ms. Green expressed her condolences:

Bette Kidwell, School, DOD 05/24/2023, DOR 09/01/2006, DOE 09/11/1971

Stephen E. Urquhart, spouse of Katherine, DOD 6/9/2023-retiree will pop up to Option A

The Board noted PERAC's approval of the application for benefits under MGL, Ch 32, §12(2)(d) submitted by Linda Foote.

Retirement Allowance Calculations approved by PERAC:

Linda L. Foote, Survivor of Leonard, DOD/DOR 04/29/2023, Cred Serv = 23y, 12(2)(d)

	<u>Annual</u>	<u>Monthly</u>
Allowance	27,829.80	2,319.15

Katherine Dugan, Town/Library, DOR 06/03/2023, Cred Serv = 39y, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	67,892.52	5,657.71

Office Assistant Position Status & Hours:

Ms. Green began the discussion by saying the position in question was originally hired as a part-time temporary employee for 19 hours per week. Previously, Ms. Kothman asked the Board to increase the hours to 30 hours per week, however, at this time she is asking the Board to consider making the position permanent with a change in hours from 19 to between 22-25 hours per week.

Ms. Kothman prepared an informational packet for the Board to review, and noted her primary concern is to change the position to that of a permanent employee. Although Ms. Kothman prefers to increase the position's hours to 30 hours per week, she was compromising and reducing the request to 22-25 hours per week. Increasing the position's hours to 22-25 per week would allow the employee to be eligible for benefits, such as paid holidays and paid time off. Ms. Kothman also noted increasing the hours to 20 or more means the position would be eligible for health insurance benefits, with the cost being split 70/30 (the employee would pay 30% of the premium and the retirement system would bear the expense of the remaining 70%). Ms. Kothman outlined costs under different hours per week.

She also talked about existing duties and cross training in the Retirement Office. Ms. Kothman mentioned the email the Town's Chief Financial Officer sent about the proposed costs and increases to the system's administrative budget. Ms. Kothman said increases in health insurance fees, legal fees, service contracts, administrative expenses, and software costs impacted the budget, but workload has increased as well. In her view, the biggest impact to the workload is the number of new members and huge turnovers in membership since COVID, which requires a lot of extra work.

Ms. Green asked how many hours Ms. Armano worked prior to 2018. Ms. Armano originally was hired in 2008 for 30 hours per week, then the hours were increased to 32 in 2013, and became full time at 36.25 hours in 2018. Ms. Green noted the Retirement Office has added approximately 25 hours in the last 5 years and what extra work duties would justify additional hours. Ms. Kothman cited storage and record retention requires organized processes. She further said much work is done behind the scenes, such as working with people who drop in for retirement advice-- especially those with complex issues. In the past few years, much research has gone into policy changes such as the change to membership eligibility, police intermittent hours, dispatchers' being group 2, department head vacation sell backs, etc. Ms. Kothman said she would like to have a smooth transition in place for when she retires in a few years. Ms. Kothman said she doesn't mind the work, she likes to stay busy, but the workload is too much for the office to handle.

Mr. Hartwell said the proposed hour increase in real terms for the 3-6 hours per week would actually cost \$80k when health insurance benefits are considered, and this may not be the appropriate response. Mr. Hartwell suggested looking into temporary help for the busy periods.



Ms. Kothman said she would go along with the Board's decision, but her priority at this point is to make the position permanent. The position at 19 hours does not provide vacation days as noted above, and a brief discussion followed on providing a certain number of vacation days while keeping the 19-hour position.

Mr. Teichert said in his opinion, the workload is there, and based on what he has heard, additional help is needed. He has personally heard positive things about the services the Retirement Office provides. His concern is that not addressing the workload will have a negative impact on retirees. He noted that other positions have been created in town with an OPEB impact, yet this is a position where only an increase in 4-7 hours per week is being sought, which would not impact OPEB because the position would not be retirement eligible.

Mr. Hartwell reiterated the \$25K it would cost to increase the hours of the position being discussed, which works out to be \$80/hr. for a \$20 /hr. position. He said that although efforts should be made to keep the employee in the position, it should only be for the current 19 hours. Ms. Green asked about flexibility with his hours. Mr. Hartwell again said he would rather explore the temporary employee alternative rather than spend the \$25K it would cost to increase the hours of this position.

Ms. Green asked if Mr. Lawlor wished to speak on this issue. Mr. Lawlor said he sent a note to Ms. Green on this issue and wanted to address a couple of points: increased administrative costs means costs to the town increase, and he wished to address Mr. Teichert's earlier comments about new employees hired in other departments. Mr. Lawlor said the benefit costs of each employee hired recently were looked at carefully, along with how to fund any anticipated benefit costs. The increase in the HR Office occurred due to the split between the Town and School, and additional costs were managed with other personnel changes. Other departments have decreased FTEs by developing efficiencies in other areas. Adding hours to this position would negate the progress with funding and work done to control costs.

Ms. Green asked whether the Board wished to vote on the proposed hours change today or on making the position permanent. Mr. Hartwell said until the costs of making the position permanent are known, the Board should not vote. Mr. Taylor asked for clarification on the hours for full-time work (36.25 vs. 40 hours) and Ms. Kothman explained the hours for full time for Andover is 36.25, accounting for a 45 minute lunch break. Other retirement systems may or may not pay for a lunch break. It was noted that Mr. Hartwell would not be at the next meeting to vote.

Ms. Kothman said she thought it might be difficult to find temporary help with the workload in her office because finding the existing help required posting the position three times. Ms. Kothman said many systems across the State are having to advertise three times because they are not getting applicants.

Ms. Green said that she would table the vote until the next meeting on the permanent job issue. She asked if there was a motion on the increase of hours issue.

It was moved by Mr. Teichert, seconded by Ms. Kothman, to increase the number of hours from 19 to 25 for the Office Assistant position. The vote failed 2-3. Mr. Harwell, Mr. Taylor, and Ms. Green voted against the motion.

At this time, Select Board Chair Melissa Danish, who was in the audience, took the opportunity to thank Mr. Hartwell on behalf of the Select Board, for his time on the Retirement Board, and for the wealth of knowledge he shared with the Board.

#### Report from the Executive Director

PERAC memo 13/2023: salary verification request--in compliance; PERAC memo 14/2023: tobacco company list prohibits investing in companies listed--- in compliance.

PERAC letter on Approval of Revised Funding Schedule dated 06/08/2023 - It was noted that PERAC recommends valuations be done yearly, or at least have interim valuations on the off years. Ms. Kothman said PERAC also noted the Housing Authority's funding goes out to 2037 and although PERAC would like the Board to work with AHA to bring the date earlier, the Housing Authority does not have the funds. FY2024 Town Offices holiday dates were noted.

Mr. Teichert asked a question about PERAC's salary verification request and disability retiree earnings. Ms. Kothman explained that some disability retirees find work doing something other than what they previously did, and they are required to send prior year tax information directly to PERAC. PERAC has to review all of the data state wide, and in June each year, they inform retirement boards if salary verification is needed.

#### Evaluation of Executive Director:

Ms. Green noted Ms. Kothman submitted her self-evaluation to the Board. This is an 18-month review for the period 1/1/2022-06/30/2023. Ms. Green asked Board members to submit their evaluations to her by July 20, and she would present a summary of results at the July 27, 2023, meeting. Mr. Hartwell will not submit an evaluation as he will not be a Board member at the next meeting. Mr. Hartwell said despite differences at the Board level, Ms. Kothman's work has been excellent. Board meetings have been well organized, she handles day-to-day problems well, and does a great job. Ms. Kothman thanked Mr. Hartwell for his kind words.

#### Cash/Accounting:

##### Cash Books:

##### March 2023:

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve the trial balance, cash receipts, cash disbursements, adjusting journal entries, and bank reconciliation.

##### April 2023

The Board conducted a first reading of the trial balance, cash receipts, cash disbursements, adjusting journal entries, and bank reconciliation. Vote to be taken next meeting.

##### Cash balance: as of June 22, 2023

It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to approve the cash balance as of June 22, 2023, in Bank of America at \$51,857.06

Ms. Green noted receipt of the Cash Flow Forecast for June 2023

##### Next Meeting date:

Thursday, July 27, 2023, at 8:30 A.M. on the second floor of Town Offices

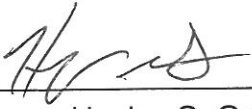
##### Other Business before the Board:

Ms. Kothman said the Chair had asked about the apologies she was asked to send to the Town Manager and Human Resources Director. Ms. Kothman informed the Board letters were sent through the U.S. postal service and copies of each were part of the handouts.

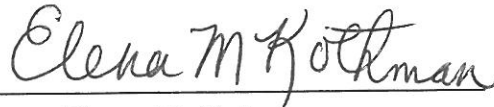
Mr. Teichert expressed his appreciation of Mr. Hartwell's work on the Board and said it was a pleasure working with him.

Adjourn:

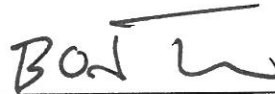
It was moved by Mr. Hartwell, seconded by Mr. Teichert, and voted 5-0 to adjourn the regular session at 9:38 A.M.



Hayley S. Green



Elena M. Kothman



Thomas P. Hartwell

Blackwell O.J. Taylor



Eric J. Teichert

Documents:

Actuarial Valuation  
GASB 67/68 report as of 12/31/2022  
MMDT Statement  
PRIT Statement  
RhumbLine Statements  
Wire transfer confirmations  
Unofficial Minutes 05/26/23  
Monthly Payroll  
Expenses  
Receipts  
Makeup request  
Deaths  
PERAC approval of 12(2)(d) case  
Office Assistant Status & Hours  
PERAC Memos  
FY2024 Town Offices Holiday dates  
Executive Director Evaluation  
Cash books - March & April 2023  
Cash flow forecast June 2023