

The meeting of the Andover Contributory Retirement Board was called to order on Thursday, October 26, 2023, at 8:30 A.M. in the second floor conference room located in the Town Offices. Members participating: Hayley Green, Chair, Elena Kothman, Blackwell Taylor, Eric Teichert and Deidre Lockhart. Also present: Office Coordinator Helen Armano and Recording Secretary Susan McKelliget.

Investments:

Statements:

MMDT:

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 5-0 to approve the MMDT statement for 09/30/2023.

MassPRIM/PRIT

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 5-0 to approve the MassPRIM/PRIT statement for 09/30/2023.

RhumbLine:

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 5-0 to approve the following RhumbLine statements received: Mid Cap 400 & Small Cap 600 09/30/2023.

MassPRIM/PRIT:

It was moved by Mr. Teichert, seconded by Ms. Lockhart, and voted 5-0 to confirm the wire transfer of \$1,200,000.00 for September operating expenses.

It was moved by Mr. Teichert, seconded by Ms. Lockhart, and voted 5-0 to confirm the wire transfer of \$1,250,000.00 for October operating expenses.

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

12(2)(d) case - son of Nancy J Anderson:

Christopher D. Anderson, application for benefits under MGL, Ch 32, §12(2)(d) (tabled since last meeting, still waiting for a response from PERAC; Ms. Kothman will follow-up with PERAC)

Minutes:

It was moved by Mr. Teichert, seconded by Ms. Lockhart, and voted 5-0 to approve the minutes of September 28, 2023.

Monthly Payroll:

It was moved by Ms. Lockhart, seconded by Mr. Teichert, and voted 5-0 to approve the October 2023 payroll as follows:

October 2023	Annuity	\$323,266.36	
	Pension	\$1,308,077.13	Total \$1,631,343.49

Expenses - October expense warrant #2023-10

Andover Copy Center	6.90
Coen Business Forms (2023 1099R forms & envelopes)	403.33
Dahab Associates, 3 rd qtr fee 2023	12,500.00

Konica Minolta Business Solution, BW & Color Copies	104.31
Konica Minolta Premier Finance, monthly fee	168.00
Elena Kothman - ET digital access reimbursement for Sept	29.99
Elena Kothman - reimbursement for Henry's Jewelry & Awards, nameplates	40.00
Lydon & Murphy Insurance -renewal	7,233.00
MTRS - Transfer out: Acct of Laura Greene	8,732.95
Deds = 9% = \$8,100.96, 2% = -\$600.39, interest = \$31.60	
Cred Serv = 2.0000 years = 08/27/2018-08/30/2020	
MTRS - Transfer out: Acct of Nicole R Gubellini	9,417.32
Deds = 9% = \$8,925.99, 2% = -\$464.13, interest = \$27.20	
Cred Serv = 3.0000 years = 08/27/2018-08/29/2021	
Refund: Acct of Kathleen McGowan	1,262.29
Deds = 9% = \$1,192.20, 2% = \$0.00, interest = \$70.09 (forf int = \$433.55)	
Cred Serv = 0.8333 years = 03/19/2007-01/31/2008	
RhumbLine Advisers, 3rd qtr invoice	4,406.00
Eric Teichert - reimbursement mileage PERAC Emerging Issues Forum	76.70
Eric Teichert -Travel reimbursement MACRS Fall Conference	1,080.70
The Hartford, W/C & Property insurance renewal	1,455.00
The Law Offices of Michael Sacco, Sept 2023	1,690.00
Town of Andover:	
Elena Kothman	8,649.80
Helen Armano	6,614.36
Vincent Malgeri	1,589.16
Susan McKelliget (09/28/2023)	250.00
Total Salaries:	17,103.32
Town of Andover:	
Hayley Green	250.00
Michael Morse	250.00
Total Stipends:	500.00

Total expenses - Warrant #2023-10: 66,209.81

It was moved by Ms. Lockhart, seconded by Mr. Taylor, and voted 5-0 to approve the total expenses of \$66,209.81 as printed in Warrant #2023-10. Ms. Green abstained from voting on her stipend, Ms. Kothman abstained from voting on her salary, her ET digital access reimbursement, and reimbursement for Henry's Jewelry & Awards nameplates. Mr. Teichert abstained from voting on his travel mileage and conference reimbursements.

The Board noted the following receipts:

Receipts:

Employee Contributions - September 2023:

Town	255,856.90	
School	113,278.24	
AHA	5,751.55	
Total employee contributions:		374,886.69

Misc Receipts:

Reimbursement of 2% deductions on retro paid (Ellis & Erban)	3.20
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Transfers in:

Nelvi Diaz, School, from Lawrence Retirement 13,918.21
 Deds = 9% = \$12,232.20, 2% = 1,679.84, interest = \$6.17
 Cred Serv = 1.5833 years = 11/22/2021-06/26/2023

Heather Maganzini, Town/Library, from Lexington Retirement 37,063.50
 Deds = 9% = \$34,291.83, 2% = 2,656.04, interest = \$115.63
 Total Cred Serv = 8.1667 years
 Lexington Retirement = 1.9167 years = 09/13/2021-08/14/2023
 Middlesex County Ret = 6.2500 years = 05/11/2015-09/03/2021

Nermin Morgan, School, from Methuen Retirement 5,528.27
 Deds = 9% = \$5,522.68, 2% = 0.00, interest = \$5.59
 Cred Serv = 2.7500 years = 11/22/2021-06/26/2023

Kaitlin Mundy, School, from Melrose Retirement 3,970.59
 Deds = 9% = \$3,967.99, 2% = 0.00, interest = \$2.60
 Cred Serv = 2.0000 years = 09/01/2021-06/30/2023

Transfers In total:

60,480.57

It was moved by Mr. Teichert, seconded by Ms. Kothman, and voted 5-0 to approve transfers in total of \$60,480.57.

Total Receipts:

435,370.46

Intent to Retire:

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

Cara Higgins, School, DOR 11/04/2023, Cred Serv = 10y, 8m, Superannuation
 Doreen Bille, School, DOR 11/10/2023, Cred Serv = 24y, Superannuation

Retirement Allowance Calculations approved by PERAC:

Mary Jane Burwell, Town/IT, DOR 08/27/2023, Cred Serv = 38y, 1m, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	80,127.36	6,677.28

Sandra Gerraughty, Town/Finance, DOR 08/28/2023, Cred Serv = 18y, 1m, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	40,412.52	3,367.71

Cynthia DiStefano, School, DOR 09/01/2023, Cred Serv = 10y, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	2,228.76	185.73

Jane Melia, Town/Assessors, DOR 09/16/2023, Cred Serv = 36y, 4m, Superannuation

	<u>Annual</u>	<u>Monthly</u>
Allowance	54,349.80	4,529.15

Report from the Executive Director:

PERAC memos: 20-22/2023 - these memos cover: 4th qtr training opportunities; hearing dates on PERAC legislative changes (these have already occurred); appropriation data-- Ms. Kothman will get the information to PERAC this week.

PERAC 2022 Comparative Analysis of Investment Related Expenses of MA Ret Systems - Andover Retirement was ranked 3rd lowest out of 104 systems, which is good news.

MACRS Fall Conference - Mr. Teichert attended and reported on Cyber security issues which include getting personal information; passwords which need to be more complex; and he noted that Attorney Sacco's associate attorney, Christopher Collins, presented on accidental disability/death cases including the heart & lung presumptions, and one of the recurring problems they are finding is the employers do not retain documentation concerning pre-employment physicals. Mr. Taylor stated fraud issues were a topic of discussion at the PRIM conference as well. Ms. Green noted the town has security measures in place like the ones Mr. Teichert mentioned. Ms. Kothman looked through the various presentations from the MACRS conference and found a lot of good information such as Option D beneficiary scenarios similar to what the Board discussed previously.

MGL Ch 32, Section 18: Filing of Statements & Reports--Ms. Kothman said she recently became aware of this law from Attorney Sacco. Ms. Kothman wanted to share with the Board the difficulty of getting forms from members such as beneficiary forms and birth certificates which are required. This section of the law states that members have 30 days to submit forms, and if the required documentation is not submitted, the Board can send notice to the department head and treasurer to suspend said member without pay until the forms are submitted. Ms. Kothman noted this is an extreme measure, however she is concerned about the amount of time being spent by the staff to keep track of the missing forms. Several communications are made to the members, some via email, letters mailed, or even telephone calls, requesting the documentation, which go ignored. Ms. Kothman provided the Board with a list of members for 2022 & 2023 who have not submitted the required forms.

Mr. Taylor suggested talking with town and school HR and Ms. Kothman said she plans to meet with HR on the school side, but that despite working with HR on this issue, forms are still not being submitted. Ms. Green suggested sending those members a copy of the law which specifically notes suspension as that may aid in getting a response. Currently, the office assistant contacts people who are not in compliance, but this is time-consuming and not always effective. Ms. Lockhart suggested combining health insurance open enrollment sessions with information about the required documentation. Ms. Kothman said she already presents information on retirement each month at new school employee orientations, and yet, some still do not submit completed forms. Ms. Green noted that open enrollment for health insurance involves a lot of employees, including teachers and others who are not members of the Andover Retirement system, so it might be confusing. Ms. Kothman will keep the Board informed of this issue.

Attorney Sacco correspondence on Military Service Purchases--Neal Gouck v State RB CR-19-0311 re military service purchases - PERAC memo 11/2003.

Ms. Kothman gave a brief overview of this issue as there may be a potential change in the way military service purchases are treated depending on the outcome of a recent DALA ruling. The ruling would reverse the way military buybacks and the 10-year vesting time are treated. Up to this time, members have made decisions based on an understanding that a 10-year vesting period

was not required in order to conduct a military service buyback. Ms. Kothman referenced a PERAC memo from 2003 that specifically stated there was no longer a requirement for the member to have 10 years' service before conducting their military service buybacks. Attorney Sacco said there may be a remedy in the legislature but for now there is uncertainty.

Social Security 2024 Benefits increase = 3.2%

Ms. Kothman explained that the Retirement Board will be able to vote a 3% COLA without a public hearing for FY 2025 due to Social Security's increase being 3.2%. This could be voted anytime between now and June 30, 2024, for July 1, 2024, implementation.

Proposed Budget 2024:

Ms. Green noted the Board began discussion on the FY2024 budget at the September 28, 2023, meeting, but there were a few adjustments to insurance coverage and consultant fees since then. Ms. Kothman gave an overview of the updated proposed 2024 budget, which included the increase in insurance premiums in order to maintain the \$10k deductible (the increased premium was voted and approved by the Board at the September 28, 2023 meeting).

Ms. Kothman further noted there may be changes coming up with the retirement system's website. Civic Plus proposed increasing the bill for 2024 from \$1200 to \$2070 due to enhancements and the cost of providing services. However, Ms. Kothman noted she received a prior email from them which quoted \$1320 for 2024. After discussion with Civic Plus about both the email discrepancy and the proposed increase, Civic Plus agreed to honor the email price quoted for the \$1320 for one year only and then, the following year it would increase to \$2070, followed by a 5% annual increase.

Ms. Kothman informed the Board she is researching other retirement systems to see how they are handling this issue and reported most systems are piggy backing on their city or town's website for no additional cost. In Andover there is a separate website for the town and retirement system. Ms. Kothman proposed voting to approve the \$1320 for this year and in the meantime, she will reach out to the Town and IT Department to see whether or not piggy backing on the town is a better option. The period covered would be January 1, 2024 through December 31, 2024. Ms. Green agreed looking further into this matter with the Town and Town IT department makes sense. Ms. Kothman added that for the third quarter budget compared to actual, the retirement system is \$41k below the budget. The original budget was for \$401,800, but Ms. Kothman suggested rounding it up to \$402,000.00 (\$200 was included in the insurance section to get this revised amount).

The Board also reviewed the 3rd quarter budget compared to actual.

It was moved by Mr. Taylor, seconded by Mr. Teichert, and voted 5-0 to approve the 2024 budget in the amount of \$402,000.00.

Ms. Lockhart asked whether there is a timeline to discuss the possibility of using the town's website and Ms. Kothman said she will talk with the town as soon as possible. There is a 60 day notice to terminate with Civic Plus and December 31, 2024, would be the deadline for getting off the retirement system's website.

Cash/Accounting:

Cash Books:

July 2023:

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

August 2023:

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

September 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 October 26, 2023:

It was moved by Ms. Lockhart, seconded by Mr. Teichert, and voted 5-0 to approve the cash balance as of October 26, 2023, in Bank of America of \$4,421.63.

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

Next Meeting date:

Thursday, November 16, 2023, at 8:30 AM - Ms. Green noted the "early" date of the next meeting due to the Thanksgiving holiday. PRIM Representatives are expected to attend the December 21, 2023 meeting.

The Board was reminded the November & December meetings will be held in the School Committee conference room.

Other Business before the Board:

Ms. Kothman noted that at the July 27, 2023 Retirement Board Meeting, the Board voted to credit the person hired in the part-time office position with 19 hours of vacation and payment for holidays that fell on a regularly scheduled workday. The office assistant started working in the retirement office on May 17, 2022. The employee recently took 4 hours of bereavement time which was charged to vacation, and payroll charged him with a negative balance of those hours. Ms. Kothman said it was not clear from the July meeting exactly when the 19 hours began to accrue. The Board discussed the possibilities of accrual beginning on the date one year from hire, or on the date of the Board's decision at the July 27, 2023 meeting.

Ms. Kothman proposed that once the employee reached his anniversary in May, he should have had 19 hours that he could take over this year, renewable each year. Ms. Green said she would support accruing monthly from the one-year anniversary date of May 17, 2023. The rate of accrual was determined to be 1.5833 hours per month. After further discussion, Mr. Teichert made the following motion:

It was moved by Mr. Teichert, seconded by Mr. Taylor, and voted 5-0 to grant the office assistant 19 hours of vacation and paid holiday time if it falls on a regularly scheduled work day, with said vacation time to be available on May 17, 2023 and then accruing at 1.5833 hours a month from that date going forward.

Ms. Green wondered if it was appropriate for the Board to actually take a vote since this topic wasn't listed as a specific agenda item. Ms. Kothman said it just came to her attention that morning right before the meeting so there wasn't time to add it to the agenda. Ms. Green wanted to ensure this was handled appropriately per open meeting law requirements.

Adjourn:

It was moved by Ms. Lockhart, seconded by Mr. Teichert, and voted 5-0 to adjourn the regular session at 9:30 A.M.



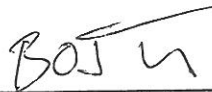
Hayley S. Green



Elena M. Kothman



Deidre Lockhart



Blackwell O.J. Taylor



Eric J. Teichert

Documents:

MMDT Statement
PRIT Statement
RhumbLine Statements
Wire transfer confirmations
Unofficial Minutes 09/28/23
Monthly Payroll
Expenses
Receipts
Transfers in
Intent to Retire
PERAC Memos 20-22/2023
PERAC 2022 Comparative Analysis
MGL Ch 32, Sec 18 Filing of Statements
Recent case: Neal Gouck v State RB
re Military purchases PERAC memo 11/2003
Social Security 2024 Benefits increase
Proposed Budget 2024
Budget compared to actual, 3Q 2023
Cash Books - July, August, Sept 2023
Cash flow forecast October 2023