

BOARD OF TRUSTEES  
Division of Public Works Retirement System  
Meeting Minutes  
June 28, 2016

A meeting of the Board of Trustees, Public Works Retirement System was held at 11:30 a.m. on Tuesday, June 28, 2016 in the Transit Conference Room located at 11 Riverside Street. BPW Commissioner Representative, Paul Bergeron presided.

**Trustees Present:** Paul G. Bergeron, BPW Commissioner Representative  
Ben Bausha, Employee Member  
Kathie Berube, Employee Member  
Michael O'Brien, Aldermanic Liaison

**Trustees Absent:** Frank Anderson, Mayoral Appointee

**Others in Attendance:** Mr. David Fredette, City Treasurer  
Mr. Peter Bonet, Retiree  
Mr. Lucien Roy, Retiree  
Mary Woods, Administrative Assistant

**Expected Visitors:**

None

**Minutes of the Meeting:**

The minutes of the April 26, 2016 meeting were presented for review and acceptance.

**MOTION BY:** Trustee, Paul Bergeron moved to accept, place on file, and approve the minutes of the April 26, 2016.

**SECONDED BY:** Trustee, Michael O'Brien

**MOTION CARRIED:** Unanimously

**DISCUSSION:**

**Personnel:**

The resignation of Mr. David Milnes was presented to the Trustees effective June 3, 2016, after 3.56 yrs. of service. He worked for the Wastewater Department.

**MOTION BY:** Trustee, Paul Bergeron moved to approve the Lump Sum Option for Mr. David Milnes.

**SECONDED BY:** Unanimously

**MOTION CARRIED:** Unanimously

The death benefit of Mr. Eugene T. Lefavor, Sr. was presented to the Trustees effective May 17, 2016.

**MOTION BY:** Trustee, Paul Bergeron moved to approve the death benefit payment for Mr. Eugene T. Lefavor, Sr. in the amount of \$3,000.00.

**SECONDED BY:** Unanimously

**MOTION CARRIED:** Unanimously

The death benefit of Ms. Eleanor Rioux was presented to the Trustees effective May 23, 2016.

**MOTION BY:** Trustee, Paul Bergeron moved to approve the death benefit payment for Ms. Eleanor Rioux in the amount of \$3,000.00.

**SECONDED BY:** Unanimously

**MOTION CARRIED:** Unanimously

### **Old Business:**

The Software Conversion Committee for management of Retirement System was discussed briefly and Mr. Fredette said a Committee has not been formed as yet.

Approval of the Contingent Annuitant Retirement letter between the two draft letters received from Mr. Fredette to Trustees as to what language is preferred.

**MOTION BY:** Trustee, Paul Bergeron on the approval of the Contingent Annuitant Retirement letter.

**SECONDED BY:** Unanimously

**MOTION CARRIED:** Unanimously

**DISCUSSION:** Mr. Fredette wanted to explain the difference between a contingent annuitant and a beneficiary. A beneficiary can be a spouse, son or daughter or whomever the employee designates. He stated that it comes into play if the retiree passes away with a remaining amount being left to the beneficiary.

The contingent annuitant is the spouse only and they would continue to get a pension at a reduced rate, depending on what plan the retiree had chosen. The letter is basically for about twelve current retirees to let them know that they need to let us know if their spouse passes away.

Trustee, Michael O'Brien asked if he thought it would be a good time to mention the \$3,000 death benefit in that same letter and it was agreed that it may confuse people.

### **New Business:**

Approval of the current disbursement of funds for the period of April 1, 2016, thru April 30, 2016 in the amount of \$196,847.02 was presented to the Board. The Trustees reviewed the detail.

**MOTION BY:** Trustee, Paul Bergeron moved to approve the current disbursement of funds for the period of April 1, 2016, thru April 30, 2016 in the amount of \$196,847.02

**SECONDED BY:** Trustee, Ben Bausha

**MOTION CARRIED:** Unanimously

**DISCUSSION:**

Approval of the current disbursement of funds for the period of May 1, 2016, thru May 31, 2016 in the amount of \$247,638.36 was presented to the Board. The Trustees reviewed the detail.

**MOTION BY:** Trustee, Paul Bergeron moved to approve the current disbursement of funds for the period of May 1, 2016, thru May 31, 2016 in the amount of \$247,638.36

**SECONDED BY:** Trustee, Michael O'Brien

**MOTION CARRIED:** Unanimously

**DISCUSSION:** Trustee Bergeron asked about the quarterly payment to RBC Wealth Management and Mr. Fredette said that this is their quarterly fee.

### **Period for Public Comment:**

Mr. Lucien Roy said he had a couple of comments. First, he would like to give his condolences on the passing of Mr. Eugene Lefavor. He also mentioned the 101 retirees we currently have and wanted to know if the board knew how many employees are currently paying into the retirement system. Mr. Fredette thought it was about 150 or more current members. Mr. Roy also wanted to thank the board for letting him sit it on the meetings.

Mr. Peter Bonet, retired Public Works Director, wanted to know why there have only been two COLA's in 20 yrs.? He is concerned about the retirees that haven't gotten a raise in 20 years. Trustee O'Brien wanted to know if Mr. Fredette could tell us what the procedure would be if there could be a COLA issued. Mr. Fredette said that in the past it was strictly done by the Board of Trustees coming out of the trust fund. He said that we are barely in the 80% funded range. Accordingly to our Money Managers, as of this week, being the end of the fiscal year, things may not change. Mr. Fredette mentioned that he spoke to Mayor Donchess and he would like to meet with Mr. Roy & Mr. Bonet to discuss the retirement fund. Trustee Bergeron mentioned that we had discussed the COLA at length but we could certainly revisit the issue when RBC Wealth Management comes out with the actuarial report.

Trustee Berube asked if every employee in the Public Works Systems contributes to the retirement system. Mr. Fredette said he thought there was only one person left that works for the Public Works that does not contribute.

Mr. Roy asked how the figures compare from the weekly payout vs. what the current employees are contributing. Mr. Fredette said at one time we didn't have to dip into the trust fund to pay the retirees and now we do. Mr. Roy wanted to know what the

percentage of funding was. Mr. Fredette said the State was 62% and we are around 80% funded. Mr. Roy wanted to know if we have seen a good change with having just one company running the fund or was it better years ago with three companies. Mr. Fredette thought the one company was doing very well. He also stated that any increase to the retirees would come out of the trust fund not from the City.

**Items by the Trustees:**

Mr. Fredette handed out a letter entitled "2016 Annual Affidavit for Retired Members and Survivors" that was sent out to all 101 retirees in May. One was not able to be delivered because he moved and left no forwarding address (Sebastian Ribeiro). All others have been returned to us except for four. This affidavit was recommended by our auditors, basically to make sure that all pensioners are still living. It also allows them to make any changes of address, phone number and email address.

Mr. Fredette also noted that they plan to send out "Change of Beneficiary Forms" to all active members when the employee's annual pension statements are mailed out to them around Sept. 1st and they we will also be sending the "Change of Beneficiary Forms" to all retired members this month. The form will state their named beneficiary on file. Trustee Bergeron asked if the employee can change their beneficiary anytime they want and Mr. Fredette replied that yes, they can at Human Resources. Trustee O'Brien asked a question about "quadro" for retirees that are divorced and the ex-spouse is looking for a portion of the pension. Mr. Fredette said that he was told by our Attorney's that we are "exempt" from that. Trustee O'Brien asked that in the event we don't hear from the four retirees, that have not returned their letters, would we put a "stop payment" on their pension check. Mr. Fredette said that we may send them another letter first stating that if we have not heard from them by a certain date, then we would put a stop payment on their pension checks. Trustee Berube asked if the letter to current employees will state their named beneficiary. Mr. Fredette said he will check on that question.

As mentioned earlier, Mr. Fredette's office will also be sending out letters to the 12 retirees who have chosen the contingent annuitant option, reminding them to notify us if and when their spouse passes away.

Next meeting is set for Tuesday, August 2, 2016.

**MOTION TO ADJOURN:** Trustee, Paul Bergeron moved to adjourn at 12:12 pm.

**SECONDED BY:** Trustee, Kathie Berube

**MOTION CARRIED:** Unanimously

*Minutes Transcribed by: Mary Woods*