

BOARD OF TRUSTEES
Division of Public Works Retirement System
Meeting Minutes
April 27, 2021

A meeting of the Board of Trustees, Public Works Retirement System was held at 12:30 p.m. on Tuesday, April 27, 2021, via Zoom Video Conference Call.

Trustees Present: Frank Anderson, Mayoral Appointee
Michael O'Brien, Aldermanic Liaison (Assistant Chair)
David Fredette, Treasurer, Member
Kevin Moriarty, BPW Commissioner
Kathie Berube, Employee Member
Daniel Hudson, Employee Member

Trustees Absent: Matt Dube, Employee Member

Others in Attendance: Mary Woods, Administrative Assistant

Chairman Anderson

As Chairman of the Board of Trustees, I find that due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic and in accordance with the Governor's Emergency Order #12 pursuant to Executive Order 2020-04, this public body is authorized to meet electronically.

Please note that there is no physical location to observe and listen contemporaneously to this meeting, which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, I am confirming that we are: Providing public access to the meeting by telephone, with additional access possibilities by video or other electronic means:

*To join by phone dial: **1-929 436-2866** - Meeting ID: 942 7019 6702, Password: 016083. If you experience difficulty connecting to the meeting, please call (603) 589-3140.*

We previously gave notice to the public of the necessary information for accessing the meeting, through public postings. Instructions have also been provided on the City of Nashua's website at www.nashuanh.gov and publicly noticed at City Hall and the Division of Public Works Administration Building at 9 Riverside Street.

If anybody has a problem accessing the meeting via phone, please call 603-589-3140 and they will help you connect.

In the event the public is unable to access the meeting via the methods mentioned above, the meeting will be adjourned and rescheduled. Please note that all votes that are taken during this meeting shall be done by roll call vote.

Let's start the meeting by taking a roll call attendance. When each member states their presence, please also state whether there is anyone in the room with you during this meeting, which is required under the Right-To-Know Law.

Roll Call:

Trustee Anderson

Due to the Governor's Emergency Order for the COVID-19 Pandemic, I am in my office, alone.

Trustee Fredette

Due to the Governor's Emergency Order for the COVID-19 Pandemic, I am in my office at City Hall, alone.

Alderman Moriarty

Due to the Governor's Emergency Order for the COVID-19 Pandemic, I am in my office, alone.

Trustee Hudson

Due to the Governor's Emergency Order for the COVID-19 Pandemic, I am in my office, alone.

Trustee Berube

Due to the Governor's Emergency Order for the COVID-19 Pandemic, I am in my office, at the Street Dept. alone.

Alderman O'Brien

Due to the Governor's Emergency Order for the COVID-19 Pandemic, I am in my home office alone.

Also present:

Administrative Assistant, Mary Woods - Due to the Governor's Emergency Order for the COVID-19 Pandemic, I am in my home alone.

Expected Visitors:

None

Minutes of the Meeting:

The minutes of the March 30, 2021 meeting were presented for review and acceptance.

MOTION BY: Trustee, Frank Anderson moved to accept, place on file, and approve the minutes of the March 30, 2021 meeting.

SECONDED BY: Trustee Fredette

MOTION CARRIED:

DISCUSSION:

A Viva Voice Roll Call was taken, which result as follows:

Yea: Trustee Anderson, Alderman Moriarty, Trustee Fredette,
Trustee Hudson, Trustee Berube, Alderman O'Brien 6

Nay: 0

MOTION CARRIED 6-0-0

Personnel:

The return of contributions of Mr. Robert Catanzano, III was presented to the Trustees. The board approved the return of contributions of Mr. Robert Catanzano, III.

MOTION BY: Trustee, Frank Anderson moved to accept the return of contributions of Mr. Robert Catanzano, III.

SECONDED BY: Alderman Moriarty

MOTION CARRIED: Unanimously

DISCUSSION:

A Viva Voice Roll Call was taken, which result as follows:

Yea: Trustee Anderson, Alderman Moriarty, Trustee Fredette, Trustee Hudson,
Trustee Berube, Alderman O'Brien 6

Nay: 0

MOTION CARRIED 6-0-0

The return of contributions of Mr. Spencer Radford were presented to the Trustees. The board approved the return of contributions of Mr. Spencer Radford.

MOTION BY: Trustee, Frank Anderson moved to accept the return of contributions of Mr. Spencer Radford.

SECONDED BY: Alderman Moriarty

MOTION CARRIED: Unanimously

DISCUSSION:

A Viva Voice Roll Call was taken, which result as follows:

Yea: Trustee Anderson, Alderman Moriarty, Trustee Fredette, Trustee Hudson,
Trustee Berube, Alderman O'Brien 6

Nay: 0

MOTION CARRIED 6-0-0

Old Business:

On the issue of cost sharing for pension administrative services, Trustee Anderson is waiting to hear back from Mr. Steven Lemanski on a question regarding the contributions that the City makes and if we can make a one-time lump sum payment differing amounts every year. Once Trustee Anderson receives that information he will get it down to Trustee Fredette.

Regarding the update on the pension ordinance to ensure that it conforms to IRS Regulations, Trustee Anderson asked Trustee Fredette if he can bring the board up to date on what Attorney Rich is working on. Trustee Fredette said that Attorney Rich did call him last week and the ordinance is about 90% done and doesn't see anything that needs to be drastically changed. He had some questions about some of the wording and is hoping to receive it by the meeting next month. It will have to go through the proper boards. Trustee Fredette thinks that he is using the current ordinance and red lining and making the changes. Trustee Anderson asked if he had mentioned his fees and Trustee Fredette said no. He will ask him this week and he is aware of the number that was agreed to.

Contract Review for the pension administrative services was discussed. Trustee Anderson said that right now the inquiries that exceed 9 comes to a \$500 fee and the board is looking to get it up to at least 12 transactions before we incur this charge. Trustee Fredette said that he believes the board was going to have Mr. Lemanski come back on to speak to the board because he believes he has a lot to say about this subject. He was heavily involved with the contract. Trustee Anderson asked if the board should have him on next month and Trustee Fredette agreed. Trustee Anderson said he believes they can give push back to Hooker & Holcombe. He thinks it is more important to have this issue resolved and would like them in for the next board meeting. Trustee Berube would like to talk about this issue for a moment. She thinks the \$500 fee is too much money and she doesn't agree with the 45 day advance notice for retirement. She thinks it's an inconvenience to these retirees and people are complaining to her. Trustee Fredette said that it doesn't take 45 days to leave their position, they will get a retroactive check. He stated that it was explained and reviewed before the contract was initiated and that it is very much like what the State does. Trustee Fredette said that yes, we are not getting personal service like we did when we were using the City employees at City Hall. Trustee Fredette wanted to ask what the 45 days is and Trustee Berube said that it's what her employees are being told at Hooker & Holcombe. She doesn't believe they should have to give more than two-week notice. Trustee Anderson said that employees do not need to give their employer 45 days' notice to leave, they can retire on the specific date they would like to. Trustee Anderson asked if Trustee Fredette could explain the retroactive check. Trustee Fredette said that if they don't get a check for say June 1st, they would get a retroactive check on July 1st. Trustee Berube said she understands but for some people they live "pocket to fist" and it is not that easy to wait for a retroactive check. Trustee Anderson agreed that it is a good point and it should be taken up with Mr. Lemanski again when we are talking to him about the transaction cost. Trustee Berube said that she has suggested to employees to go into their account on line instead of calling Hooker & Holcombe. She said that she understands that there are employees who want to leave but don't want to give their employer a letter 45 days in advance. Trustee Fredette said that he doesn't believe Hooker & Holcombe require that much notice for an official retirement. Trustee Berube suggested that maybe we make a flyer with phone numbers and website information to hang in the different

offices. Trustee Anderson said that the board will have to firm up with Hooker & Holcombe. Trustee Anderson asked Trustee Fredette if we could do an annual update with pension information. Trustee Fredette said yes we could do that. Alderman O'Brien stated that with NHRS said that they had an open door policy. He said there is a formula that they follow and if we could do the same for our pension employees? Trustee Anderson said we are paying \$40K for this system and they have a calculator on the website. He believes that clearly we have not done enough education. Trustee Fredette said that everything is on the website. Trustee said the link is under the Board of Trustees page on the City website. Trustee Anderson said this is something we can talk to Mr. Lemanski about but clearly the employees are not using the system. Trustee Hudson said that he has been with the City a little over a year and he just went on to register but didn't have his code. He thinks that maybe we can, at a minimum, send the information out periodically to remind people. Trustee Fredette said that he believed that when an employee was hired they received a letter from Hooker & Holcombe. Trustee Anderson said maybe we shouldn't give them an option to call for an estimate. Trustee Fredette said that maybe the City could develop an easy one but they wouldn't be able to figure out the options if you want to leave something to your spouse. Trustee Berube said she thinks we need to issue something again. Trustee Fredette said that maybe we could do an annual training and Trustee Anderson agreed. Trustee Anderson said he thinks we should bring the timing of when an employee wants to retire up with Mr. Lemanski at the next meeting and as a board come up with a plan to let employees know how to come up with retirement estimates. We will put it on as "Old Business" next month.

Trustee Anderson wanted to vote on what option plan to choose for the Actuarial Report reviewed on March 30, 2021. There are three options and he thinks that we should adopt all three suggestions from Mr. Lemanski. Trustee Anderson said that in the short term, it may hurt the pension system but he presented it as the right thing to do. Trustee Fredette said it brings the funded rate from 87.4 to 84.4 but it is a small deduction. He believes it was option number three. He said that was the suggested option. Trustee Anderson said that his concern is that if we don't adopt these, in three years we could get hurt more. We have to differ to our actuaries and he believes the plan is very healthy. Trustee Anderson said the three proposed changes are, mortality tables, a mortality projection scale and reducing the inflation and salary increase from 3% to 2.4%. Trustee Anderson asked for the boards' feedback and Trustee Berube agreed that we should do it. Trustee Anderson said that we have made some good changes over the years and he believes we should trust the financial people on these changes. He said that our job is to protect the employees and retirees so he thinks we need to be very conservative with our plan.

MOTION BY: Trustee, Frank Anderson moved to adopt all three of the options that were recommended by Hooker & Holcombe and that the mortality tables be changed in our assumptions for the plan, that the mortality projection scale be changed which relates to the life expectancy rates in the future to the most recent scale and that the salary increases and inflation rate be reduced from 3% to 2.4% to reflect the Social Security Administrations current best estimate.

SECONDED BY: Alderman Moriarty

MOTION CARRIED: Unanimously

DISCUSSION:

A Viva Voice Roll Call was taken, which result as follows:

Yea: Trustee Anderson, Alderman Moriarty, Trustee Fredette, Trustee Hudson, Trustee Berube, Alderman O'Brien

6

Nay:

0

MOTION CARRIED 6-0-0

New Business:

Approval of the current disbursement of funds for the period of March 1, 2021 through March 31, 2021 in the amount of \$284,202.41 was presented to the Board. The Trustees reviewed the detail.

MOTION BY: Trustee Anderson moved to approve the current disbursement of funds for the period of March 1, 2021 thru March 31, 2021 in the amount of \$284,202.41.

SECONDED BY: Alderman Moriarty

MOTION CARRIED: Unanimously

DISCUSSION:

A Viva Voice Roll Call was taken, which result as follows:

Yea: Trustee Anderson, Alderman Moriarty, Trustee Fredette, Trustee Hudson,
Trustee Berube, Alderman O'Brien 6

Nay:

0

MOTION CARRIED 6-0-0

Approval of the Invoice for Hooker and Holcombe Actuarial Valuation fee for a total of \$12,400 and the invoice from Hooker and Holcombe Pension Administration fee of \$12,375 for the services through March 31, 2021.

MOTION BY: Trustee, Frank Anderson moved to approve the payment of the Invoice for Hooker and Holcombe Actuarial Valuation fee for a total of \$12,400 and the invoice from Hooker and Holcombe Pension Administration fee of \$12,375 for the services through March 31, 2021.

SECONDED BY: Trustee Hudson

MOTION CARRIED: Unanimously

DISCUSSION: Trustee Hudson thinks that if this is within the contract that we should pay this bill and not incur interest charges. Trustee Anderson agreed and said that it is a good point and the bill should be paid. Trustee Moriarty wanted to make a comment that on the bill for \$12,400 it should be noted that it should state on the bill that it is for two years. Trustee Anderson said that we do have it in writing somewhere but maybe we can request that it be more detailed. Trustee Fredette said that he will ask that they adjust it before we receive it and he will send it out to the board.

Period for Public Comment:

None

Items by the Trustees:

Trustee Moriarty wanted to make a comment about the transactions that have already been made and that we are up to fifteen for the year. Trustee Fredette said that it is for a fiscal year and not a calendar year. Trustee Anderson said that there is still some work to be done on that issue. Trustee Fredette he believe that we've had a lot more retirements since the AFSCME contract was approved. Trustee Fredette also wanted to point out that he said a letter was sent after the last meeting to Mr. Morse along with the letter from the City Attorney but has not heard back from him. Alderman O'Brien want to mention that Trustee Berube had eluded that there seems to be some fear with employees mentioning retirement and there should not be any fear. Trustee Berube said that there should be no doubt about that. Alderman O'Brien that he thinks that to have a healthy environment for everybody, if you want to contact him online to discuss he would be happy to champion to have a conversation with the proper authorities to adjust the climate. Trustee Berube thanked Alderman O'Brien. Trustee Anderson wanted to point out what he referenced earlier about getting the investment performance numbers from RBC in substitution to them showing up. He said that for the nine months, July 1, 2020 through March 31, 2021 the portfolio is up over 20% but to keep in mind that last year we were in the pandemic. The twelve month number through March 31st is 39% but that is coming from a steep decline. Wanted to pass the information along and thinks the numbers look pretty good. Trustee Anderson asked Trustee Fredette what the date of the May meeting should be in order to have Hooker & Holcombe come in should we give them a few options. Trustee Fredette said that yes, we may need to have it on another date in order to give them a couple of hours.

Next meeting will be tentative scheduled for either Tuesday, May 18th or Tuesday, June 1, 2021 or another date convenient with Hooker & Holcombe at 12:30p.m.

MOTION TO ADJOURN: Trustee, Frank Anderson moved to adjourn at 1:23 p.m.
SECONDED BY: Alderman Moriarty

Minutes Transcribed by: Mary Woods