

Berkshire County Retirement Board Meeting
March 29, 2023

The meeting of the Berkshire County Retirement Board was called to order at 9:00A.M. in the Berkshire County Retirement Office, located at 29 Dunham Mall, Pittsfield, MA. Present at the meeting were Michael Ovitt, Chairman and Mark Bashara, Elected Member. Beth Matson Appointed member participated remotely. Karen Williams, Elected Member and Sue Funk, Advisory Board member were absent. John Boorack, PERAC actuary and Thomas Gibson, Board Attorney participated remotely.

PUBLIC COMMENT:

- 1.) Members of the public have the opportunity to address the Retirement Board.

NEW BUSINESS:

- 2.) **Legal Update:** Presented by Board Counsel Thomas Gibson

Bartini Update

On the pending litigation of the Bartini Case, it is entirely in the hands of the Division Administrative Law Appeals we are just waiting for a decision to issue from DALA. Where Mr. Bartini falls in that, there is no hearing or testimony. It is being decided solely on the documents. I think that makes it easier for the decision. I am hoping that in 2023, we will get a decision on his case. In the meantime, he has not appeared on any of your excess earnings lists since we had that issue. Whatever steps he had to take, to cure the issue with his corporate structure or is business, he has taken those steps and luckily, he does not show up anymore. So, we are confined to that one year of earnings in this particular case.

Open meeting Law

I had asked Sheila to put the open meeting law expiration of the waiver on the agenda once Governor Healey signs that budget bill, The Open Meeting Law Extension waiver will be back on the books for another two years. The other PERAC news is that they are going to be moving their offices. It is only about three quarters of a mile from where they are now. PERAC will be moving, and they approved their budget. Just as a point of information, they granted a 3% COLA to their staff, and they created a merit pool of another 0-3% based on performance evaluations for their employees. That is something they have done in the last couple of years. Every employee will get a 3% COLA and those who are subject to the performance evaluation may get anywhere from zero to 3% extra, based on that evaluation.

Electronic Signatures

I asked that electronic signatures be put on the agenda because we have been asked by several retirement boards to draft regulations. I am not sure what the Board has.

Sheila LaBarbera: As staff, we have been looking at electronic signatures and how it would affect us. I do not think that we are interested in electronic signatures. We will see how it works for other boards.

Tom Gibson: The Boards who have asked us to do it are taking a generally cautious approach. They want to preserve the right to say that at any time, for any individual case, we want your real signature on this. That was kind of an obstacle in getting these electronic signature regulations put forward. I do have some drafts when you are ready.

Michael Ovitt: Could that be used for affidavits for member retirees or is it just strictly for the Board?

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Tom Gibson: Any document. The regulations were drafting are broad and they will apply to any document that has to be signed. The board will have the ability to accept an electronic signature, assuming that certain security protocols are in place. That includes board members signing minutes and warrants, but you have to have a supplemental regulation approved by PERAC in order to do that.

Sheila LaBarbera: We did have an incident about three months ago with a refund that we knew the member had not signed at this point, it is important for us to still collect those live signatures sometimes. For Board meetings maybe it is a good idea. We will see how it works out for some of the other boards.

Tom Gibson: It does seem like there are competing interests here, because, on the one hand, the Boards are being encouraged to ramp up cybersecurity protocols to protect the system. On the other hand, it appears as if they are expanding the ability for somebody to come to commit fraud. That is why PERAC is insisting that there be security protocols built into these, multi factor authentication, things of that nature. If you are going to be accepting electronic signatures, you want to make sure you know whom you are dealing with.

Silicon Valley Bank

The Silicon Valley Bank that is kind of a hot topic. There is a ripple effect with Silicon Valley Bank and Sheila received the e-mail from PRIM, Mike Trotsky, back on March 14, 2023, I was looking for more comfort than I actually received in that in that memo. Even though the direct investment is limited to like \$10 million between Silicon Valley Bank and Signature Bank of First Republic Bank it does have an impact. I have not heard from PERAC on that issue, and I think they are due for an update as to what is going on over the last couple of weeks. Silicon Valley Bank was just purchased by First Citizens Bank out of North Carolina and hopefully that will make a difference. I am not an investment person; I am just concerned that we are going to have down years on our investment returns that is going to have a significant impact on the valuations and the funding schedules.

Mark Bashara: I am more concerned with the discussion of these ESGs and how money and where it can be invested. Because I do not I think it was approved to not do that. Then I think the President vetoed it. I'm not sure where it is at the current moment. However, that concerns me more because if it is dictated were, you know, our money has to be invested, then that could be an issue.

Tom Gibson: PRIM has taken a very cautious approach to ESG, and they have created a special committee to review each potential ESG investing. It has to meet certain criteria. PRIM is not just running in there because it's politically correct to start investing in these companies without any proven track record. They are vetting these things very closely trying to satisfy the investment portion of ESG and at the same not put any of the assets at risk just because of ESG.

Mark Bashara: They were very diversified when they spoke before. In the end, its short term and long-term investments and returns that are important.

Tom Gibson: I am not sure, when Francesco is scheduled to appear before the Board, again, for the annual review maybe you want to move that up to satisfy some of the questions that Board members may have.

Regular Compensation Issues

Tom Gibson: Sheila and I have been working on regular compensation issues constantly evolving as new services are being required of employees and employees are being

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compensated for providing these new services. The question always arises, is it pensionable payment or not pensionable payments? So the latest one with dealing with is the use of body cameras. It is not unique to Berkshire County it is an issue in Worcester and Cambridge. The question is, if a police officer is receiving a stipend for wearing a body camera, will that stipend be regular compensation? We have asked for some guidance, from PERAC, on the issue. I thought they may have already issued an opinion on that and I would want to make sure we were not going in the opposite direction with PERAC. It looks to me that if they are just going to give them money to wear it, without requiring any kind of certification, then it is not going to be regular comp. It is going to be treated the same as having a cell phone or a pager or another tool to trade. It will not be a regular comp. If they do require some certification in order to operate and properly use a body camera, then it may well be regular compensation. We are going to wait for PERAC to weigh in on that and, and we will keep the board updated.

Beth Matson: Tom, this just came up recently with a couple of Board that I know about here. Where do you fall on acting out of rank in regular compensation?

Tom Gibson: There is a case right now that was decided, Dudley versus Leominster. The magistrate said that acting out of rank on a temporary basis and receiving the extra pay, when it is based on temporary staffing levels, is not regular compensation. We have asked PERAC to clarify that as well. Those cases appeal to CRAB so it is not a final decision.

Beth Matson: Okay, so it is not final. When I spoke with PERAC, they were unaware that they consider that regular comp.

Tom Gibson: It would not be the first time that PERAC's opinion has not been shared by DALA, CRAB, or the courts. It has always been that if you are an acting Lieutenant, you are being paid for what you are entitled to, if you got hurt being that acting Lieutenant, you

Beth Matson: That you get it.

Tom Gibson: Right, but not anymore. They made that change back in 2011. If you are acting out of rank, it does not have the benefits that it once had. You are entitled to money, but you may not be entitled to the pension potential portion of that.

Michael Ovitt: Tom, there have been stipends going on for years with the Police department and fire departments. As far as, carrying Narcan, breathalyzer, keeping the records. Have they weighed in on any of those in the past?

Tom Gibson: The use of Narcan is almost the same as the use of the body camera. If you have to be trained and certified and you are holding that certification and you are being paid under the current regulations, it would appear that that would be a pensionable. If they just throw it on your belt and its part of your overall police duties and the pay is not incorporated in your base pay for doing that, then that extra money will not be regular compensation. We had to get the actual language for the town of Dalton Police contract on the body cameras because I wanted to see what it says word for word. It is so important how the language is expressed in the collective bargaining agreement.

Pension Recoup

Tom Gibson: We were successful in getting back some money.

Sheila LaBarbera: We had an individual that was depositing into the Trust and we were unable to recoup. They put us off for a couple of months, and then Tom wrote a letter and within five days, we received the money back, so we were able to recoup that successfully.

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It took a while for the family to notify us, and then we ran into the roadblock with the deposits going into a trust. The banks informed us that they would not allow any recoup on a trust. We had to get the money back from the family.

Michael Ovitt: It was not a new deposit. It can be a joint account.

Sheila LaBarbera: we are going to send out a new form and just give them an update regarding fraud and to remind them that they are going to have to start depositing to what we call a regular personal account. It has to be a personal check or savings, it cannot be trust. The member must be the legal owner.

Jill Hersey: Correct. That is why we are going to add some language onto the direct deposit form. That way they are signing off also on the fact that it is a personal account.

Mark Bashara: What was the dollar amount that we recovered?

Jill Hersey: It was \$1008.16.

Tom Gibson: It was a good story considering the fact that we've lost money and under civil circumstances but Sheila, I'd be interested in knowing why PBI did not pick that up. If you get ahold of that, let me know.

Sheila LaBarbera: We just changed reps for PBI, so I do have an email in to her, so let me see if we can follow through on that. They have been excellent, we have been using them for three years, and they have not missed one. There have been a few that they noticed early so that we were not paying people for a length of time.

Tom Gibson: Mr. Chairman, that concludes my report, unless any Board members have any questions for me.

Michael Ovitt: I think we are good. Thank you

Thomas Gibson left the meeting @ 9:53am.

Mark Bashara: A question and maybe this is something to put on another meeting regarding the legal updates. Tom does a wonderful job, but I think maybe we should discuss it because it has become that every month, we have them. I do not know if we should discuss just having them when we have issues, such as disabilities and serious things. Because of a lot of the legal updates, we get that information anyway and as far as I am concerned, it is incumbent upon us to read it. If somebody had a serious question about, or something that Tom needed to answer. Maybe it is something the Board should discuss whether we have him continue monthly, irrelevant of whether there is in seriousness, discuss, whether we have a quarterly, or whether we have it on a per diem basis. Where if the board feels there is some upcoming questions, it is good to have him so that he obviously has time to prepare as well not just expect him to be available two days before.

Michael Ovitt: For next month, if you want to just look back. We do not always see the bill. Can you grab the last 6-12 months, and see? The bill is broken down, so just say the attendance at the Board meeting and the time and how much it costs. If it is costing us \$300 a month for PERAC updates, we may have to reconsider that. We can certainly get some samples from the invoices. If we have had disabilities, that is one thing, but the relevance of the presentation. It is always nice, and we value his opinion on things, but if it is him just reading a memo from PERAC, that changes things.

Sheila LaBarbera: The legal update is an item that you have asked me many years ago to put on the agenda.

Michael Ovitt: Yeah, for issues.

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Sheila LaBarbera: I certainly will go through the bills but I think that is maybe a discussion that you should have with Tom and give him an idea what exactly you want.

Michael Ovitt: Right, but if we are spending \$52.50, it is not a big deal, but if we are spending \$500 for PERAC memos, then it is something to think about.

Beth Matson: When you are looking at that, can you check to see if we are paying for Gerry's time as well when he comes?

Sheila LaBarbera: I think it is just the one charge each time, but I can check.

Michael Ovitt: Let us have some numbers in front of us and then we can make a decision.

Sheila LaBarbera: I will do that and maybe the Board can provide more guidance on what the Board is looking for content.

Mark Bashara: Right and maybe, once we have that discussion, we will be able to give you more information at that point.

Michael Ovitt: But certainly, if we have a disability hearing or an appeal. That would not be included as much in the board update. Some of those items are where things stand.

Sheila LaBarbera: I believe that with some of them he was providing an update on where the different cases were. His bills are detailed, so I should be able to look at that.

Michael Ovitt: How often is he billing us?

Jill Hersey: It is usually every quarter.

3.) The Board is asked to review the methodology of annual assessments

John Boorack: Let me start with my presentation. The statute provides that when we allocate the annual appropriation for Retirement Boards, that we do it based on payroll as of September 30 of the prior year. That basis has been used in Berkshires since I started. The actuary before me had allowed boards that chose to vote to do so, to use what is known as an actuarial breakout. Under the Actuarial Breakout, the costs assessed for each unit are more in line with the costs or the liabilities that each unit brings to the system as a whole. If you have a larger system that has many group 4 members and they contribute much more liability and normal costs to the plan, their assessment will reflect that. As opposed to one of the smaller towns that might have a handful of group 1 members. The actuarial basis is a fairer basis so that each unit is paying a cost proportionate to the liability each brings to the system. It is not provided for in the statute, but we have allowed it because it is a fairer method. A board has to vote to authorize the use of such a method. Now, we have three other systems that use the breakout and they are all city units. City Retirement boards, are a lot less time consuming than it would be for Berkshire because Berkshire has so many different units. Essentially, what we would have to do, is run a separate valuation for each individual unit within Berkshire County. I do not know how many there are offhand. Let us say it is 50. That means we would have to run 50 valuations. If the board would choose to do this, I would prefer that if you vote to do it, you stick to it and do not change your mind down the road because in our end, it is really time consuming to try to determine the appropriation for each unit. That is all I have for my remarks. I do not know if anyone has any questions about me based on that.

Michael Ovitt: So, we have 46 units, so we are right around that 50 that you mentioned. Do you have any other county units that do this break out? Maybe there are ones that you do not do the actuary for?

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John Boorack: Berkshire County is the only County Unit or who were the actuary. There are a couple of other units, county systems that do use this type of breakout. I know they are the largest two, Worcester Regional and Middlesex. It is not unprecedented for a county system to use this methodology, but it is time consuming for us to undertake.

Michael Ovitt: As far as the timeline is concerned, if we vote next month to phase this in, I believe there might be some options.

John Boorack: We would do it as part of the FY25 appropriation. I am not going to go back and adjust the FY24 appropriation. Those amounts are set, and they probably already been relayed to the individual units. This is something that we would start as part of the FY25 appropriation and we do not start that until later in the year. If the board votes to do it now it will give us enough time to start working on your valuation and be able to prepare this breakout for use beginning in the FY25 appropriation. There are a couple of choices, the board could move immediately to this method or we can phase it in over 2 or 3 years. I would not recommend doing it over anything more than 3 years. If the board wanted to, you could phase it in over 2 or 3 years as opposed to moving immediately to this new methodology.

Michael Ovitt: You know probably December, January is when the individual communities are coming up with their budget figures, then obviously May for the most part is when the vote is for approval. We will be looking at next January for FY 25. What is changing and when is that information going to be gathered from the towns?

John Boorack: The statute requires that when the appropriation gets access to the individual units within a retirement system that it is based on the aggregate September 30 pay for the members of each unit at that time. That method is provided for in the statute. Method that we will be moving to, it is a slightly different methodology and, as I said, it is a more fair methodology because of the assess of appropriation in proportion to the liability each unit would bring to the system. There is nothing that the retirement board would need to do or that the individual towns would need to do in order for us to do this. It would be done as part of our regular valuation work. We are in the process of doing evaluation as of January 1, 2023 for the system this year. We will take that data and we will run valuations on each unit individually to help us determine the assessment. The Assessment would count as a percentage just as it is, currently; it is just how we determine that percentage would be different. Under this methodology, the same percentage is used until the next valuation is completed in this case in 2025. The percentage we determine this year would be the same percentage used for FY25 appropriation and the Fy26 appropriation. That is one advantage of this methodology is the percentage would be used for two appropriations until the next valuation is done and then it will be reassessed at that time.

Mark Bashara: John, if there was an uptick in disabilities or expenses, and that would reflect in the following year.

John Boorack: It will be reflected when the next valuation is done.

Michael Ovitt: I think the main thing is, that group 4 is obviously a spike and I think disabilities will be a spike.

John Boorack: Correct, if you have a system that consists of all group 4 active members and all their retired members are disabled members, then they are contributing more liability than, perhaps the neighboring town that might only have group 1 members and only have, you know, 2 or 3 retirees and they're all regular superannuation retirees. What this new methodology would do, is if you have a system that has more group 4 members and has more disabled people, it will reflect that in the ultimate percentages.

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Michael Ovitt: And is there any differentiation for disabilities? Ordinary or Accidental?

John Boorack: An accidental disability is more costly than an ordinary disability. When we tried to determine the assessment, what we would do is we would break the retirees down and we will say this town has two retirees, two accidental disabilities, two ordinary disability and six superannuation's. We would figure out what the liability for those 10 retirees is, figure out what the liability for all of their active members is, and if there's any inactive members attributed to that system, we figure out what their associated liability is. Then look at that liability and how it compares to the liability for the system as a whole. That is the proportion of the assessment that would be assigned to that, an individual unit.

Michael Ovitt: Are there any other major factors, other than those two? Obviously, with the age of the workforce, the salaries are still going to be large components of it.

John Boorack: the relative salaries for the employees, the ages, whether they are, what, we would call pre 4/2012 members and post 4/2012 members, so whether they're subject to Chapter 176, or not subject to Chapter 176. The job group classification, these are all things that go into determining someone's overall liability. Then for someone who is retired, it is just the benefit amount and the age of the retiree. So, a younger person would be expected to be paid longer than someone who is older, and that is why disability costs more, because someone is getting a higher benefit, typically, at an earlier age, so that higher benefit is paid longer.

Michael Ovitt: Is there any manipulation that you have seen with the communities? The dynamics of a county system obviously pose different dynamics there, but as far as September 30th wages, a lot of those are underrepresented. We had shifted to actual wages through December 31.

John Boorack: Using the September 30 payroll, there would be much more manipulation and we would have to use this particular method. This particular method is based on the actuarial data supplied by the retirement board to PERAC. Once we get it, we do checks for reasonableness, missing data, and things like that. Once that data is set, we run our valuations, and that is what we will determine, the ultimate allocation to units. once we get the data, there's no chance for manipulation.

Michael Ovitt: And just to clarify, has the percentage remained the same for two years?

John Boorack: It remains the same until the next valuation is completed. It will be the same for two years. The way it would work now is, if the Board decides to approve this methodology, it would become effective in the FY25 appropriation. If the board moves into a phase in, it will take a couple of years for the percentages to hold. Let us assume that with FY25, the board says we are going to move immediately to this methodology. Then when we do our FY26 assessment, the percentages would be the same for FY26. When we do the next valuation as of January 1, 2025, those percentages will determine the assessments for FY27 and FY28. Once the methodology is completely phased in, the same percentages will apply for two years of appropriation assessments.

Sheila LaBarbera: I think Karen's questions were answered. If it could be phased in over a period of two or three years and how quickly.

Michael Ovitt: So, what would that carry over for two years? How would that affect the phase in?

Sheila LaBarbera: John, would it be a percentage of each process over a period of two years?

John Boorack: Correct. If we phase this methodology, and over two years, this first year we would look at what the assessment would be based on pay, look at what the assessment

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would be based on this actuarial methodology and we will do a 50/50 split to figure out what the percentage is and then in the following year, methodology would be completely phased in two years, we would be using the allocation based entirely on this actuarial breakout. If we phase it in over three years, the first year we would use two thirds of the appropriation from the payroll methodology and one-year of the actuarial. Next year we would do 66% or two thirds of the actuarial breakout and one third of the payroll method and the third year will be entirely on the actuarial breakout. While we phase it in, we're going to look at what the percentage was on a payroll basis. Look at what the new percentages and phased in over 2 or 3 years.

Michael Ovitt: Beth, you have a view of a system that utilizes this. Were you there for the phase in?

Beth: I believe Margaret was here for the first year, and if I was here for the first year, it has been done recently. I did not get any pushback. We are just talking about it in Marlborough; here it is just the housing and the city. I don't know how it would work with a school. I would like, if I could, to ask Tom when you phased it and did you get a lot of pushbacks from the towns that were affected on the high-end?

Tom Gibson: We have had it in place for a long time. When we first started it, the first year, we did not prepare the member units sufficiently for the impact of the change, which meant that for the municipalities who had Group 4 employees, their appropriation went up. Those units did not have group 4, their Appropriations did not increase, and they stayed the same or were very small. So, with the towns were upset because now the Group 4 liability is not being absorbed by the other 31 member of units in the in the in the system. That was the fault of the board and not adequately preparing the member units as to what was going to happen. There was an issue and that is why I think phasing in is a good idea. I think it is also a good idea to get up front and explain what is going to happen now. John the system's appropriation is increasing at a certain percentage every year until 2028. Is that correct?

John Boorack: That is correct. I do not remember offhand what the schedule is.

Tom Gibson: So the system's appropriation overall let us go to 6.7%. That is what you are planning for. That is the amount of money you have to raise, each individual unit will not be assessed 6.7%. They will not see a 6.7% increase in their appropriation. Some may see more, some may see less, and those who see more, are going to come back to Sheila and say, Well, how come? Where the data that supports why is have my appropriation gone up 9% and others are not going up same amount of money? it's an educational component. You have to explain that each town's demographics play a role here. If they want to hire more experienced employees with a lot of service that come in as new members, they are going to pay for that. If they have a disability, especially in a small unit, one or two disabilities can really throw that number off track. Many factors play into this, into this transition.

Michael Ovitt: As far as a disability goes, is it when the board approves them as of that December 31 date?

Sheila LaBarbera: Right now, it does not matter because it is just salaries. As John said, if it is in the data for the first time that he does the actuarial valuation, it will be there for two years. If it comes in the middle of those two years, it would not be appropriated until the next valuation. Correct, John?

John Boorack: Correct. The data we have received already is as of December 31, 2022. If you have someone who goes out on a disability, and it is effective, January 15, let us say, they are not going to be reflected in the costs until we do the next valuation in two years. For

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someone who goes out on a disability, the first time it will be reflected is the first valuation where we captured him or her. If you have someone who goes out on a disability in-between, it is not going to be reflected in the current percentage, it will be reflected when we do our next valuation.

Mark Bashara: So, the best we can do then, if we move forward with this, be, as you said, Tom to get out ahead of this has to phase it in, and then maybe, Sheila, you in the other employees could get together and maybe do some kind of education. I mean, if that, is there anything else other than that we could do so that at least we can say in good faith, we've given them ample notice and explanation?

Tom Gibson: Well, I think the advisory council would be a nice vehicle to use, initially at least. Certainly, the town managers and telling administrators have to be able to plan for costs and budgets going forward. I would include those folks as well in any educational efforts that the board expends.

John Boorack: Right. As an exhibit, Sheila could provide the information that was done 10 years ago. Now, I know that that information is outdated, and things have changed since then. The demographics have changed for all the units. I believe at that time, we knew what the assessment percentage was based on the pay, and she can show what the percentage basis was based on this actuarial method. She can say, look, some towns are going to be impacted and some towns may not be impacted, and some towns will be impacted the other way. So, some will be impacted negatively, some will be impacted positively. That's another thing that that you can show, is that, look, we had something done 10 years ago, 12 years ago, whenever our office did it last, and look, there's this town here was impacted greatly. This town here was not impacted much. To show it is like we do not know how it is going to play out until the valuation is complete, but here is the magnitude that some units could see. That is another thing that could be done as part of the outreach to the units.

Sheila LaBarbera: This methodology does not change our funding schedule? As it sits right now, that date is 2028, to be fully funding date in the future, this methodology does not change that at all. The only thing that would change if you have made changes to the, internally, like, to say, the COLA base or something like that.

John Boorack: Right. Or depending upon how the assets performed over the past two years. Methodology has nothing to do with the funding schedule, other than how that total funding schedule is allocated to the individual units.

Tom Gibson: John, may I ask that the board right now is at 6.75% for assumed investment return rate, you are not nudging them to go below that, are you?

John Boorack: At 6.75, no. My intention is not to recommend a lower assumption for them. At least not with this upcoming valuation.

Michael Ovitt: So, as far as the process is concerned, is it an advisory council, or is it the local government who accepts this? Or is it ultimately just the board? I assume the Advisory Council would approve this.

Tom Gibson: It is the Board who sets the funding schedule, and it is the board who sets the methodology. There's no further approvals required legally. As a practical matter and a political matter, or you want to get out in front of this thing. As Mark indicated, you want to let them know what is going on. In that regard, I would include not only the advisory council, but also the chief executive offices of each of each member unit. The ones that are responsible for actually putting the budget together.

Michael Ovitt: Okay. Just trying to anticipate what resistance or to get on board with this. Those are the obvious ones. Thank you. Any other questions? John, thank you very much.

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John Boorack: thank you. If the board has any further questions, just let Sheila know and she can email me, and I will answer those questions for the Board.

Mark Bashara: I am just going to say, as far as, what we talked about, the assessments and all that, I am going to guess that once we have everybody here, we will have a discussion and make a decision. I am all for the phase in and notifying the advisory to make sure they are all aware. You can do your educational thing and write a letter to all town administrators and do everything that we can, as Tom explained. That way when we take a vote on it, we have done everything we can.

Thomas Gibson: Berkshire County is in good shape with their funding schedule, their funding ratio is 87.4%. That is good for the Massachusetts public pension systems, I think that is perhaps the highest number I am aware of and to be fully funded by 2028. There is no reason for any critics to complain about how expensive Berkshire County Retirement System is. You have a funding schedule and you are on track. All the communities that have to borrow money, and they look at the look at the pension system as a liability, say, you are in good shape going forward. Now, the funding schedule of 2028, you may get pressure to push that out. Last year, it was a big loss for the system as far as their investment return goes. This year, we do not know what is going to happen. Unpredictable things happening. The whole Silicon Valley Bank situation has a ripple effect throughout the entire economy as we are seeing now. I would think that when the board looks at the next evaluation, it's always on the table, are we going to kick it out a couple of years to make the funding schedule more acceptable to the citizen towns. Or are we going to 2028? There is a lot of issues for the Board to look at for the next valuation.

- 4.) The Board is asked to review and sign the engagement letter for Melanson financial audit 2022.

Marcum LLP is the new name of our audit firm (was Melanson) this is the last year of our contract with Marcum/Melanson. They did include in an email fa cost for the next two years for the Board to consider and I will put that on the agenda for a later date. I will try to see what else might be out there.

The County Retirement Systems are responsible for the cost for these audits because of the GASB requirements, cities have the GASB included in the city financial audits.

Michael Ovitt asked if the scope of services will change if the actuarial method is approved, we will check with Marcum and get the response back to the Board.

No vote was required just a signature from the Chairman on the letter of engagement.

Mark Bashara: Where we stand regarding the discussion on the COLA base increase that we've been talking about.

Sheila LaBarbera: We don't have the actuarial valuation numbers back yet, as soon as we have them, they will be on the agenda. That is not part of the Marcum audit.

- 5.) The Board is asked to consider the implementation of the insurance module from PTG Michael Ovitt: The Board is asked to consider the implementation of the insurance module from PTG.

Berkshire County Retirement Board Meeting
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Sheila LaBarbera I received an e-mail from PTG and they are in the process of coordinating the development of the insurance modules with two other counties. They wanted to know what our level of interest is because they'd like to upgrade all of the systems. I still have treasurers that are asking me about when it will be available. We did budget for it but it's up to the board to approve the expense. I know Karen and Sue aren't here and they are really directly affected by that. So if you would prefer to table this and wait until next month, I don't have a problem waiting.

Beth Matson: No, this is fairly new. I know we are going to table it, but what is our current contract as it stands now with PTG?

Sheila LaBarbera: I think it's about \$67,000-68,000 for this year. This module has been developed for counties. Plymouth County has been using it for quite a long time.

Beth Matson: Okay. How many Boards are on it?

Sheila LaBarbera: I know Plymouth is and I think that it's Middlesex and Norfolk County that are the 2 that are going to be migrating to this module now. A lot of our treasurers use this already for teachers' retirement and they just find it easier and more convenient.

Michael Ovitt: Like everything else, I would like to see the pros and cons and where the exposure is and expenditures and workwise.

Mark Bashara: I would make a motion to table item number five, the implementation of the module from PTG. Beth Matson: I second.

A roll call vote was taken to table the request for implementation. The vote was unanimous.

6.) Directors update: PTG - seminars scheduled Town of Otis April 12, 2023

Sheila LaBarbera: There are only 3 towns being held up from deduction uploads and it is technical difficulties not because of the lack of interest. I believe within the next week to 10 days, everybody will be up and we will be at 100%. We had a good meeting with the treasurers last week at their Spring meeting. So far, we have had a great response from the treasurers.

Michael Ovitt: What were the topics at the treasurers meeting? Did we present?

Sheila LaBarbera: We presented and covered the basics like enrollment forms and kind of review the enrollment form process again. We talked about the deductions and the 2% posting and the adjustments that need to be made. Some are getting warnings because the 2% is off because they are not using the right cycles for their payments. General topics of how to label reports as they come in. We are trying to create a uniform labeling system for reports and the ACH or wire transfer. We let them know that we are able to go back out again to do retirement seminars and within the next week or so, we will be scheduling one with Lee, Lenox, and Williamstown. All three of those units have had a significant amount of turnover. Otis is a benefit fair they have health insurance, retirement, and Nationwide 457 at their benefit fair.

Michael Ovitt: Any update on the scanning? Where does that stand?

Sheila LaBarbera: Beth requested a quote to complete the scanning with a private company it was \$30,000 - \$40,000 to complete the job. We have just been trying to schedule some time during the week to scan documents.

Brian Shepard: I would say probably a third of the active members.

Michael Ovitt: All right. As long as you allocate a certain amount per day, per week, whatever.

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Sheila LaBarbera: We try. That is why we got another copier, so we have an additional scanner. We just got that set up in February. We have the tools now; we just have to find the time.

Consent Agenda Detail:

MINUTES:

a.) The Board minutes of the regular meeting held February 22, 2023, were signed and approved.

Minutes provided as an attachment to email

INVESTMENTS:

b.) The Board received from PRIT a statement of performance for February 2023. The PRIT Fund returned -1.57% for the month of February.

BANK STATEMENTS:

c.) The Board received the bank statements for Feb 2023 and the budget for March 2023. *Cash Books for January and February were sent to Board by email.*

MONTHLY WARRANTS:

d.) The Board approved payment vouchers:

02-05-23	\$1,638,156.91
03-01-23	\$94,375.05
03-02-23	\$41,744.70
03-03-23	\$23,636.65
03-04-23	\$16,433.99
03-05-23	\$1,632,309.73
03-06-23	\$52,509.41

REQUESTS FOR RETIREMENT:

e.) The Board approved the application for superannuation retirement from Janice Lang, BHRSD, Paraprofessional. The retirement will be effective 4/28/2023.

The Board approved the application for superannuation retirement from Pauline Salenovich, Gt Barrington, COA Director. The retirement will be effective 5/2/2023.

The Board approved the application for superannuation retirement from Paul Barnum, SBRSD, Custodian. The retirement will be effective 06/30/2023.

MEMBER TRANSFERS OUT OF SYSTEM:

f.) The Board approved the notice of transfer of the account of Joseph Carlotto, a member in Lee, to the State Retirement Board. The Berkshire County Retirement Board will accept 1 year and 9 months of creditable service. The amount of the transfer is \$9,734.33.

The Board approved the notice of transfer of the account of Scott Forgey, a member in Hinsdale, to the State Retirement Board. The Berkshire County Retirement Board will accept 4 years and 8 months of creditable service. The amount of the transfer is \$20,455.82.

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The Board approved the notice of transfer of the account of Robert Giumarro, a member in SBRSD, to MTRS. The Berkshire County Retirement Board will accept 9 months of creditable service. The amount of the transfer is \$1,587.62.

The Board approved the notice of transfer of the account of Gina Guachione, a member in Lenox, to MTRS. The Berkshire County Retirement Board will accept 3 years and 11 months of creditable service. The amount of the transfer is \$7,744.78.

The Board approved the notice of transfer of the account of Darcy Feder, a member in Clarksburg, to the North Adams Retirement Board. The Berkshire County Retirement Board will accept 7 months of creditable service. The amount of the transfer is \$2,222.15.

REQUEST FOR SERVICE BUYBACK:

g.) Sue Funk, a member in Egremont, is eligible to buy back 8 months of prior creditable service. If Ms. Funk pays \$3,014.87 into the annuity savings fund by April 30, 2023, the board will grant 8 months of creditable service.

Mark Brouillette, a member in Becket, is eligible to buy back 8 months of prior creditable service with Hampshire County Retirement System. If Mr. Peck pays \$28,077.87 into the annuity savings fund by April 30, 2023, the board will grant 7 years and 1 month of creditable service with liability to Hampshire County Retirement System.

REQUESTS FOR REFUNDS:

h.) The Board approved the applications for refunds from the following members: (Pending approval from Dept. of Revenue- child support division)

Lukas Horn	West Stockbridge	\$589.41
Maurice Kelliher	SBRSD	\$9,176.18
Brandon Page	Lee	\$2,002.50
Margaret Zamierowski	Stockbridge Housing	\$634.49
Bonnie Clements	MGRSD	\$9,255.33
Mindi Kushi	SBRSD	\$5,563.01
James Hamilton	BCRHA	\$25,163.28
John Palaszynski	MGRSD	\$2,829.22
Adam Southard	Washington	\$39,161.63

INJURY REPORTS:

i.) There was one injury reported in the Town of Lee.

NEW MEMBER APPLICATIONS:

j.) The Board approved for membership in the Berkshire County Retirement System the following members:

7661	Marlena Hunt	BHRSD	2/1/2023	Para	1
7662	Merina Cromwell	BHRSD	1/23/2023	Para	1
7663	Ashley Scaglione	SBRSD	12/15/2022	ESP	1
7664	Elizabeth Baisch	MGRSD	1/3/2023	Para	1
7665	Jeffrey Mongeon	MGRSD	1/3/2023	Custodian	1
7666	Joshua Bruchbacher	MGRSD	1/19/2023	Para	1

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7667	Charles Spirydowski	Dalton Fire	2/27/2023	Firefighter	4
7668	Gary Hayes	Dalton Fire	2/20/2023	Firefighter	4
7669	Joseph Strohmaier II	Williamstown	2/27/2023	Motor Equipment Operator	1
7670	Constanza Bergs	BCRHA	1/18/2023	Case Coordinator	1
7671	Ryon Clemons	BCRHA	2/3/2023	Administrative Assistant	1
7672	Wendy Sherman	MGRSD	1/4/2023	Para	1
7673	David Torres	Gt. Barr	3/2/2023	Micro Transit Oper Manager	1
7674	Kaitlyn Douherty	Lee (School)	3/2/2023	Para	1
7675	Jazmine Wagner	CBRSD	2/17/2023	Para	1
7676	Kelly Ryan	Clarksburg	2/27/2023	Treasurer/Tax Collector	1
7677	Kevin Turner	Lenox	3/13/2023	Water Laborer	1
7678	Elizabeth Weisberger	BCRHA	2/27/2023	Housing Counselor	1
7679	Jade Mullen	BHRSD	2/27/2023	Para	1
7680	Deborah Kastrinakis	BHRSD	3/15/2023	Directed Study Supervisor	1

RETIREMENT ALLOWANCE APPROVALS:

k.) The Board received approval from PERAC to grant a retirement allowance to Katherine Ragusa Hallock, Lee, as of 8/31/2022. Annual pension amount is \$22,081.56.

The Board received approval from PERAC to grant a retirement allowance to Tina Kirby, CBRSD, as of 11/01/2022. Annual pension amount is \$12,043.44.

The Board received approval from PERAC to grant a retirement allowance to Gareth Backhaus, Monterey, as of 12/31/2022. Annual pension amount is \$52,248.96.

The Board received approval from PERAC to grant a retirement allowance to Edward Clark, CBRSD, as of 1/30/2023. Annual pension amount is \$7,205.04.

3(8)c REIMBURSEMENTS:

l.) The Board received a letter from PERAC ordering the Pittsfield Retirement Board through the provisions of MGL Sec 3(8)(c) to reimburse the Berkshire County Retirement Board \$7,553.16 a year toward the retirement allowance of Tina Kirby.

PERAC CORRESPONDENCE:

m.) The Board received from PERAC the following memorandums:

#09/ 2023 Tobacco Company List

#10/2023 Mandatory Retirement Board Member Training-2nd Quarter 2023

Note: copies of memorandums and letters given to each Board member

TRAVEL & EDUCATION APPROVALS:

n.) The Board approved the travel expense for staff to provide retirement seminars to: Town of Sheffield and Otis.

MISCELLANEOUS CORRESPONDENCE:

o.) PRIM – Status of SVB bank and PRIT Investment

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Mark Bashara: I will make a motion to accept the consent agenda as presented. Beth Matson: I will second.

A roll call vote was taken to approve the consent agenda presented. The vote was unanimous.

The MACRS Conference is June 4-7, 2023; at the Hyannis resort please let us know if you plan to attend.

The Board members Statement of Financial Interest needs to be filed with PERAC by May 1, 2023.

A motion was made by Mark Bashara to adjourn the meeting at 10:18am. Beth Matson, second.

A roll call vote was taken to adjourn, the vote was unanimous.

RESPECTFULLY SUBMITTED:

Sheila LaBarbera, Executive Director

APPROVED BY:

Michael Ovitt, Chairman

Mark Bashara, Elected Member

Karen Williams, Elected Member

Sue Funk, Advisory Council Member

Beth Matson, 5th Member Appointed

