

Berkshire County Retirement Board Meeting
June 28, 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, Karen Williams, Elected Member and Sue Funk, Advisory Board member and Mark Bashara, Elected Member. Beth Matson Appointed member participated remotely.

PUBLIC COMMENT:

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

NEW BUSINESS:

- 2.) **Legal Update:** There was no legal update for June.

- 3.) **The Board will consider a proposal from Bay State Pension Solutions to provide software services for the Berkshire County Retirement System.**

Chris Wallace, Paul Wallace and Holly MacIntosh (participated remotely) from Bay State Pension Solutions made a presentation to the Board. Sheila LaBarbera introduced Mr. Wallace and his team and reviewed with the retirement board the prior meeting that Chris and his team had with the Berkshire County Retirement staff. The Bay State Pensions team presented their new DB software application to the Board. The Board viewed the onscreen presentation.

Chris Wallace: I would like to talk a little bit about our company, HR Mecca powers our product, we wrote Pension Pro and we are the consultants that delivered all the functionality in the system that you are currently using. We were the company that delivered, all the software, all the conversions and provided all of the technical support up until January of this year. What is the advantage to going to our solution? One of them is that you will take possession of a system that is tailored to your exact requirements. We would like you to come on as what we are calling an early adopter, meaning that you will be one of the first clients on our platform. Our company has full control over all the development resources so if you have a problem or an issue; we are going to be able to resolve it very, very quickly.

Paul Wallace: our platform has been in production for 16 years and it is proven. The product we are delivering now has been upgraded with many new features, but it is still familiar, so it is a platform that requires less training so that will make the conversion easier. Some of the new features that we have added DocuSign integration. We are doing electronic signatures and ideology. Ideology is an identity verification service that is a fraud prevention tool. E-mail integration, we can integrate with staff's outlook to attach e-mail e-mails from members to the actual member records in the system. Telephony capabilities, we can drive a phone number so that members can call, authenticate, then have that call recorded and stored in the system, so all your phone calls can be recorded. We have an integrated workflow engine that allows us to build custom workflows for exactly what administrators need to do.

Chris Wallace: I would like to point out several things about our company that I think are significant. We do not have any debt in fact, we are quite profitable and we have significant cash on hand right now. Our checking account has just a little bit shy of 1.8 million dollars to go out and capture this market. Our company is called Bay State Pension Solutions for a reason. The reason being is our focus and mission is to capture the MACRS market we do not have any national ambitions. We are not trying to sell outside of Massachusetts this is the market that we want to service.

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Paul Wallace: our involvement with PTG was eliminated in January actually; we terminated the relationship in January. We did not think we were being treated fairly and it was the best way forward for HRMecca. We were the technical part of PTG. In 2006, PTG and HRMecca started a sales operation HRMecca was a technology operation and PTG would make a sale, and turn the clients over to HR Mecca. HRMecca would do full implementation and provide technical support.

Beth Matson: what is the relationship between Bay State pensions and HRMecca?

Chris Wallace: HRMecca and Bay State Pension are sister companies Bay State Pension is an independent LLC, and you would contract with Bay State Pension, you would have a relationship with one and only one company.

Beth Matson asked about the scanning technology.

Chris Wallace: indicated that we would be using the same software with better functionality. Holly Mackintosh I want to mention is that we have brought on board some folks to help us with the implementation, one you may know is Chris Tatro. Holly presented many of the functions already available and spoke in detail regarding the functions that are currently under development.

Paul Wallace: So, on the support side of things we are trying to add some cool features to handle support. We are doing an integrated ticketing system, which you know is standard in the industry today our team will be able to create tickets that go directly to our technical staff. We are also integrating help documents right onto the actual menu rather than having them in some other menu-hidden system.

We have help videos and instructional videos. When on functions like for a year-end processing, for example, we have a video that shows the users how to or what they need to do to get through that process. There is many things we are doing in the system to try to improve support, training and documentation.

Chris Wallace: if I could just jump in the pricing is all-inclusive we're not going to nickel and dime you on different modules, just to be clear, we're offering two free years of licensing as an early adopter. Years 3, 4, and 5, we can commit to \$55,000 a year. I think that is significantly less than your current fees. I can almost promise you that when PTG comes out with a new platform; your fees are going up. As it sits right now, we can save you \$175,000. Those items that we just described to are free; there is a licensing for being an early adopter, years 3, 4, and five, at about 85% of your current fees. That is what the numbers alone are compelling. What is truly important is you are going to get a better system. One that's more reliable, one is more robust, Staffed by people who are in-house

Paul Wallace: the last thing that I want to touch on is security. We are proud to say that we just received our SOC2 type 1 certification, and we are working on our type 2 certification. Then of course, there is many additional security features that are security items that we are doing. So, vulnerability scanning, penetration testing, two factor authentication, and data encryption the list goes on, and it is all industry standard. There is no need for any additional infrastructure. The disaster recovery is being saved and stored in two data centers, we use Entirety for our hosting environment and they have two data centers that were our data's stored in Denver is our DR environment, and we're using Zerto, cloud based, real-time disaster recovery basically what that does is whenever any changes made on the live server, it gets sent to Denver to be replicated.

The Denver Data Center is typically between five and twenty seconds behind the live data center. It is an extremely impressive tool that we are proud to use.

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Sheila LaBarbera One of our items that we have noted is whether we go with Bay State Pensions or we stay with P T G, we are going to be changing. I certainly appreciate Chris, Paul, and Hollie providing us with your time and the information today. I think that basically, we need to sit with the board and deliberate internally as to how we want to proceed with this. I guess the urgency of this offer of being an early signer is the cost and that were are in before 40 other boards. if you would like to give us a timeline of your expectation to say this is when I would need you to give us a go ahead by this date to be able to do everything that we've talked about today, if we can meet this date, then we can meet all of the projections that we've talked about today.

The Board thanked Chris, Paul and Holly for their time and presentation. They left the meeting at 10:45am. The Power Point presentation is available in the retirement office.

Mike Ovitt: There is separation with PTG I guess we should consider.

Sheila LaBarbera: I think once they give us the timeline of what they can do for us we can figure out what the cost would be for closing out PTG. Once they give me dates then I can present that to the board and move forward from there.

Mike Ovitt: So is PTG communicating this with us?

Brian Shepard: Minimal, back in February a webinar for about half an hour. They showed us a slide only the front page that said this is what we will be doing.

Mark Bashara: So it is in my understanding that if we work with this the first two years, there is no expense for 2 years. Well, I mean one thing about that is that if two years I would think would be a pretty good runtime for you to communicate to us, hey, this is phenomenal, it's working great, or, you know what, we've been with them a year. It is a nightmare. We need to look elsewhere. You know having two years; I should give this a good feeling of what is happening. Yet, we are not losing anything in this sense to cost that we just dropped \$100,000 and it is terrible.

Karen Williams: I was going to say I still like the idea of ticketing. I use that through SoftRight and so at least you know you are in a queue you are not leaving a message and not hearing anything back.

Sheila LaBarbera: Right and you will have their undivided attention as they said. Their goal right now is minimal. It is like two systems to four systems in the next 2 years. It is not as if they are looking to upload 40 systems in the next year to be profitable.

Sue Funk: The other question I thought of was did you talk to anybody who has this system already?

Sheila LaBarbera: To Bay State they have given me all the information, the contacts for Wellesley. I just have not had a minute to talk to them. I mean I was not going to pursue anything if, as a board you said we are not doing that then it ends.

Beth Matson: I like what they had to say. My only – my concerns are Wellesley is not even up and running and they are their only client at this time. What if they fail, you know? A few years down the road, what if they do not make it? You are going to go back to PTG? I am saying if they do not pick up the boards that they anticipate.

Sue Funk: They do not even necessarily need the board. They have other entities and other business.

Beth Matson: Bay State is running the software for them. It is not HRMecca.

Sheila LaBarbera: HRMecca also has other clients. If you notice, they have 135 clients that are different, so HRMecca is in business, whether Bay State Solutions is or is not in business.

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Beth Matson: I understand that point, but what is Berkshire Retirement going to do if Bay State does not make it as a vendor?

Sheila LaBarbera: We will have to see what other vendors are at that point.

Beth Matson: Yeah. I just think it's – if they do not have a proven track record, Bay State I am talking about. I see PTG has slowed down but not to the point where it has, I would even complain about it, and I have never waited more than 24 hours for a callback from them.

Karen Williams: Well, I think that is a legitimate question, Beth. It would be taking a bit of a chance that – what are our other options.

Mike Ovitt: the issues we have with PTG, were we not made aware of that because that was the only option out there? I mean this seems to be a sudden crisis with them, why were we not made aware of how bad they are?

Brian Shepard: I think that, one, that was all that was available, two, the fear of change by the sounds of it, I was not here, but once they get used to a system, they wanted to use that system. They did not want change.

Mark Bashara: Would PTG be willing to come and do just as Bay State did and meet with us for an hour and talk? To me, in fairness, give PTG the opportunity and whether or not they accept it, it is up to them. Say, listen, we want to know what your future plan is. We would like to know – the board would like to meet with you and discuss it, and if they come on and talk to us for an hour and a half, whether it is half-truth, all-truth, at least we have something to base it against and say, okay, they are doing this. If they blow us off, I – and say, well, we can't, or keep putting the date off, then to me that's – that's a big red flag right there, that we've given them an opportunity. Otherwise, we will never really know. We can ask them the questions you were asking. We are already a current customer, so they should have the respect and decency to meet with us and assume, you know, not a year from now.

Sheila LaBarbera: I will call John Reidy and ask him to prepare for the agenda in July. Include a presentation and answers to our questions?

Mark Bashara: the thing – due diligence – at least we give them an opportunity and if they do, they can answer, and maybe we'll be pleasantly surprised, but as I said, the feeling I'm getting from what I'm hearing in this room is not that receptive. I think a lot of us would like to give them an opportunity.

Conclusion: After July 4, 2023, Sheila LaBarbera will speak with Bay State Pension to develop a projected timeline for conversion so the Board and staff will understand which applications would be able to run as a dual system and which applications will not be available until the end of the year or through the first quarter of 2024.

Mark Bashara suggested that the Board invite PTG to our next Board meeting to provide a presentation and update to the current system. The Presentation should include answers to all of the concerns the staff have with the current PTG system and how they will be addressed in the future. The director will invite PTG to the July meeting.

4.) Directors update: Retirement seminars

Sheila LaBarbera all I have for the Director's update is the retirement seminars, we have been active, and it is gone very, very well. We are not going to be going out again for two months until September. We are going to continue to concentrate on the treasures to do the remote

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meetings to talk about the assessment updates so that they understand the new process. We have a meeting; I sent it out to all of you for August 3rd, with the Town administrators and School Business administrators to talk about the assessment changes.

Mike Ovitt asked for a copy of the presentation.

Sheila LaBarbera indicated that there was not a formal presentation only notes and the Q& A from the Treasurers meeting but I will past that on to the Board. I expect that Board members would attend to represent the Retirement Board at the meeting. Paul Sieloff actually gave me a good idea in that in addressing the town managers is to really talk about things that they can do to mitigate increases and to understand how those costs really will be inclusive of their assessment. Human resources is a big piece that we will talk about that at length.

Sue Funk indicated she would attend with her Town Administrator Karen Williams will check in with Marie Ryan.

Sheila LaBarbera It is our intention that we will touch base with every single person Treasurers and Town Administrators so that everyone is informed of the changes.

Actuarial Valuation

Sheila LaBarbera: I received an e-mail from John Boorack regarding preliminary results of our actual valuation. It is all good news but it does require some real significant decisions this retirement board going make going forward regarding how you want to deal with the funding schedules. I will ask John Boorack to attend the July meeting to talk about the preliminary results for our actual valuation that put us at 96.5% funding, that is a significant increase from our ratio of 87.4%. I asked John to prepare this e-mail for you because there is nothing in the statute that requires you to do anything in particular when you are fully funded. This is a decision that the board is going to make with only a recommendation from PERAC before you start to move those assessments downward. They will decrease significantly almost in half because we are at 13.6 million, the normal cost for that is only 7.4 million that is almost half of what the assessments are right now.

Mike Ovitt: If we make these changes?

Sheila LaBarbera: That is the first thing the board has to think about is how do you want to run out your assessments for the next 3 years? As John Boorack e said, he is not recommending that you go right to the normal cost right away for economic reasons really, but you certainly can if you want to.

Mark Bashara: This is about the buffer, right. Where he said maybe 120 to 130%?

Sheila LaBarbera: The next piece of that valuation is giving you the estimates of what it is going to cost to increase the COLA base. If you raise the COLA base to \$16,000, it is going to cost you \$4 million to do that. If you increase the COLA base to 18,000, it will cost you \$8 million.

Mark Bashara: I quickly did the math, so I could be off a hair, but from what I see, approximately 50% of the communities are between 15,000 and 18,000, and two-thirds of them are between 16 and 18, so I would say where we are at 14, we are definitely not at the high end by any means. We are more the middle or lower. Wellesley it is funny they mentioned they are at 21,000. I actually – you know, how I did it was simple. I counted all out there, you know, what you had, and then added it up, and as I said, we are approximately – half of them are between 15 and 18,000, and then two-thirds of all of them are between 16 and 18, so we are definitely not at the high end. I do not even think we are in the middle. So, I think that's – between where we are in our funding schedule and where we come in

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among all the other ones, I think it's at minimum, something we definitely should discuss and look into increasing because of what I just said from the numbers and where we are. It is worth a good serious discussion.

Karen Williams: Some are – I don't know if you noticed but some in one fiscal year might have gone up to 16 and then the next fiscal year, they went up to 18 – you know, there's – Different ways that they're approaching it.

Mark Bashara: Between the fact that we did not for practical reasons do the COLA thing because obviously trying to get all of these communities on, two-thirds. So, between not acting on that, the fact that we haven't done it in a while, all I'm going to – just my opinion, that whatever we decide to do, let's look ahead and do it good enough so – the term I'm going to use is lift the Band-Aid off because we don't want to – we don't want to nickel-and-dime and say, okay, let's say we say, well, we'll do this much this year, come back another year or two, okay, let's go up to this. I think we need to pick an amount that balances taking into account the retirees and the effect it would have on our actuarial and the communities.

Once we decide on that, make that decision and then, you know, be done with it for years to come. seeing that where we fall, I think, is good because I – Karen said anybody can get on there, do the math, and figure it out, and see where we are, and the fact that a lot of them had been more recent, the fact that I get the feeling the majority of the communities did this 5% because they weren't counties, you know, they just needed their city council. I'm talking, you know, this one time, the fact that this may come about again maybe and so to me, now is the time for us to act while this is being discussed, while it's been a while since we've done it, and not kick it down the road to where all of a sudden there's a huge downturn here or there. Everybody did it and now why are we doing it, why did not we do it 2-3 years ago?

Mike Ovitt: Just to clarify. The maximum COLA is 21,000?

Beth Matson: I thought there was a maximum. I thought Wellesley got special legislation to go up that high.

Sheila LaBarbera: I was going to ask John Boorack to attend the board meeting for next month if you wanted more in-depth guidance on the impacts and what we are looking at for future funding schedules. This would be the preliminary results, and in order for him to take the next step he, he would need some guidance from this board as to how you want to proceed. If you decide to increase the COLA base, then it has to go to the Advisory board. You may not be aware, the Chairman of the advisory board was not reappointed into her position, so she cannot be on the advisory board. I had talked to Tom about the issue because we have a lot of things coming up; an election and these COLA votes. Sue Funk is the Vice Chairman of the advisory board. There are no ethics violations of any kind of her being on the retirement board here and making a decision and being on the advisory board and making a decision. Sue Funk does feel uncomfortable so we can always convene an advisory board meeting for the purpose of reelecting a slate for the remainder of this yearly term, which is up at the end of annual meeting in October.

Karen Williams: I mean potentially they could get the treasurers together at Treasurers school in August 15, 16, 17 to discuss the issue?

Sheila LaBarbera: You have to be careful because that is not a posted meeting, so you – if you have a majority of the Advisory Board, that would be three, you cannot discuss an item to be voted on in a public meeting that is an open meeting violation. We will work on getting the Advisory Council together to fill the vacant positions.

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6.) Consent Agenda Detail:

MINUTES:

a.) The Board minutes of the regular meeting held May 31, 2023, was signed and approved.
Minutes provided as an attachment to email

INVESTMENTS:

b.) The Board received from PRIT a statement of performance for May 2023. The PRIT Fund returned -.40% for the month of May.

BANK STATEMENTS:

c.) The Board received the bank statements for May 2023 and the budget for June 2023.
Cash Books for May were sent to Board by email.

MONTHLY WARRANTS:

d.) The Board approved payment vouchers:

06-01-23	\$14,873.37
06-02-23	\$6,353.36
06-03-23	\$19,225.14
06-04-23	\$55,761.89
06-05-23	\$1,630,879.99

REQUESTS FOR RETIREMENT:

e.) The Board approved the application for superannuation retirement from Kyle Johnson, Williamstown, Police Chief. The retirement will be effective 6/30/2023.

The Board approved the application for superannuation retirement from Richard Jarvis, Lenox, Asst. Superintendent. The retirement will be effective 7/21/2023.

The Board approved the application for superannuation retirement from Karen Zinchuk, Lenox, Admin Asst. The retirement will be effective 7/21/2023.

The Board approved the application for superannuation retirement from Mary Ellen Deming, Lenox, Director of Admin Services. The retirement will be effective 7/16/2023.

The Board approved the application for superannuation retirement from Elaine Lovato, Lenox, Admin Asst. to Principal. The retirement will be effective 7/14/2023.

The Board approved the application for superannuation retirement from Mark Johnson, CBRSD, Custodian. The retirement will be effective 7/14/2023.

The Board approved the application for superannuation retirement from Regina Boino, Lenox, Paraprofessional. The retirement will be effective 7/09/2023.

The Board approved the application for superannuation retirement from Kenneth Pease, CBRSD, Head Custodian. The retirement will be effective 7/10/2023.

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The Board approved the application for superannuation retirement from H. Linden Searing, Stockbridge, Heavy Equipment Operator. The retirement will be effective 7/07/2023.

The Board approved the application for superannuation retirement from James Scace, Dalton, Police Officer. The retirement will be effective 6/30/2023.

The Board approved the application for superannuation retirement from James Bragdon, Great Barrington, Patrol Officer. The retirement will be effective 8/16/2023.

The Board approved the application for superannuation retirement from Edwin May, Great Barrington, Building Inspector. The retirement will be effective 8/18/2023.

MEMBER TRANSFERS OUT OF SYSTEM:

f.) The Board approved the notice of transfer of the account of Daniel McClellan, a member in Becket, to the Hampden County Regional Retirement Board. The Berkshire County Retirement Board will accept 1 year and 1 month of creditable service. The amount of the transfer is \$6,353.36.

REQUEST FOR SERVICE BUYBACK:

g.) Denise Dus, a member in Hancock, is eligible to buy back 6 months of prior creditable service. If Ms. Dus pays \$809.25 into the annuity savings fund by July 31, 2023, the board will grant 6 months of creditable service.

Tammy Weidhaas, a member in Otis, is eligible to buy back 4 months of prior creditable service. If Ms. Weidhaas pays \$1,533.81 into the annuity savings fund by July 31, 2023, the board will grant 4 months of creditable service.

Seana Roche, a member in Sheffield, is eligible to buy back 1 year and 8 months of prior creditable service. If Ms. Roche pays \$6,945.44 into the annuity savings fund by July 31, 2023, the board will grant 1 year and 8 months of creditable service.

Rian Dowd, a member in Lenox, is eligible to buy back 4 months of prior creditable service. If Ms. Dowd pays \$1,494.39 into the annuity savings fund by July 31, 2023, the board will grant 4 months of creditable service.

Rachael Armstrong, a member in Lee, is eligible to buy back 5 months of prior creditable service. If Ms. Armstrong pays \$1,872.61 into the annuity savings fund by July 31, 2023, the board will grant 5 months of creditable service.

REQUESTS FOR REFUNDS:

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

Peggy Andrews	Florida	\$1,251.17
AnnaMaria Sebastino	Clarksburg	\$186.49
Shawn LaVigne	Williamstown	\$2,809.73
Kristen McNeice	Clarksburg	\$7,287.74
Michael Fitzgerald	BCRHA	\$696.09

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Janice Lang	BHRSD	\$399.73	Partial Refund
Scott Muir	Richmond	\$226.86	Partial Refund

INJURY REPORTS:

i.) There were no injuries reported in the month of June.

NEW MEMBER APPLICATIONS:

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

7706	Tate Coleman	Gt Barrington	5/1/2023	Micro Transit Prog Director	1
7707	Alan Soto	Gt Barrington	5/8/2023	Transit Oper Dispatcher	1
7708	Michael Murray	Lee (School)	5/30/2023	SPED Para	1
7709	Claude Blount	Gt Barrington	6/7/2023	Laborer	1
7710	Jennifer Durfee	CBRSD	4/31/2023	Asst. Café Cook	1
7711	Elizabeth Maturevich	Lenox town	6/5/2023	Services Coordinator	1
7712	Paul Duntz	Sheffield	6/1/2023	Laborer	1
7713	Sandra Kalmus	Windsor	5/12/2023	Town Clerk	1
7714	Timothy Safford	Dalton Fire	6/16/2023	Firefighter	4
7715	Thomas Beasley	DDVS	6/1/2023	Director	1

RETIREMENT ALLOWANCE APPROVALS:

k.) The Board received approval from PERAC to grant a retirement allowance to Donald Humeston, Lee, as of 04/28/2023. Annual pension amount is \$13,048.20.

The Board received approval from PERAC to grant a retirement allowance to Janice Lang, BHRSD, as of 04/28/2023. Annual pension amount is \$14,973.72.

3(8)c REIMBURSEMENTS:

l.) There were no Sec 3(8)(c) to reimbursements for June.

PERAC CORRESPONDENCE:

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

#13/ 2023	2022 Salary Verification Requests
#14/ 2023	Tobacco Company Lists

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

TRAVEL & EDUCATION APPROVALS:

n.) There are no travel requests for the month of July

MISCELLANEOUS CORRESPONDENCE:

o.) PRIM – Francesco Daniele Client services PRIM, will present the annual investment review on August 30, 2023 at 9:00am. He will present in person.

- Access Plus merger notice June 2023.

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Mark Bashara made a motion to accept the consent agenda as presented. Karen Williams: second.

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

Sue Funk made a request to consider an 8:30am meeting rather than 9am citing travel time to and from Egremont and she still works. Board members discussed the change noting that date and times had been changed in the past to accommodate Board members, Mark Bashara disagreed stating it was too early for him. The Board agreed to try an 8:30am meeting in July to accommodate Sue Funk's request.

The next regular board meeting is scheduled for Wednesday, July 26, 2023 at 8:30am.

A motion was made by Karen Williams to adjourn the meeting at 11:23am, Sue Funk: 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