

BOARD OF TRUSTEES  
Division of Public Works Retirement System  
Meeting Minutes  
March 26, 2019

A meeting of the Board of Trustees, Public Works Retirement System was held at 11:30 a.m. on Tuesday, March 26, 2019, in the Large Conference Room located at 9 Riverside Street. Mayoral Appointee, Frank Anderson presided.

**Trustees Present:** Frank Anderson, Mayoral Appointee  
Kathie Berube, Employee Member  
Michael O'Brien, Aldermanic Liaison  
Frank Teas, BPW Commissioner

**Trustees Absent:** Ben Bausha, Employee Member

**Others in Attendance:** David Fredette, City Treasurer  
Derek Danielson, Asst. City Treasurer  
Matt Dube, Street Dept. Employee  
Mary Woods, Admin. Assistant

**Expected Visitors:**

None

**Minutes of the Meeting:**

The minutes of the January 8, 2019 meeting were presented for review and acceptance.

**MOTION BY:** Trustee, Frank Anderson moved to accept, place on file, and approve the minutes of the January 8, 2019 meeting.

**SECONDED BY:** Trustee, Frank Teas

**MOTION CARRIED:**

**DISCUSSION:**

The minutes of the February 26, 2019 meeting were presented for review and acceptance.

**MOTION BY:** Trustee, Frank Anderson moved to accept, place on file, and approve the minutes of the February 26, 2019 meeting.

**SECONDED BY:** Trustee, Kathie Berube

**MOTION CARRIED:**

## **DISCUSSION:**

### **Personnel:**

The resignation of Mr. Dennis Daniels was presented to the Trustees effective February 28, 2019 after 13 weeks of service. He worked for the Wastewater Department.

**MOTION BY:** Trustee, Frank Anderson moved to approve the resignation of Mr. Dennis Daniels.

**SECONDED BY:** Trustee, Kathie Berube

**MOTION CARRIED:** Unanimously

**DISCUSSION:**

### **Old Business:**

Trustee Anderson brought up that postage will tie into the ordinance changes we are proposing.

Trustee Anderson said that we are continuing to work on the Summary of Revisions made to NRO Chapter 45 Article IV – Board of Public Works Retirement System and asked Mr. Danielson to give the board an update.

Mr. Danielson started by saying that there has been a few changes requested. First is that an increase in the number of trustees', one of them being Mr. David Fredette, City Treasurer or a designee. Another change would be to add an additional employee representative and that they make one a designee for UAW, one a designee for AFSME and one a designee for the Unaffiliated members. Mr. Danielson said also that the quorum was changed from three to four and the person who does the administrative work for the board will be appointed by the Director of Public Works. There was a discussion regarding how several years ago the administrative work for the pension would be done after business hours and that employee would submit an invoice to the board for payment of administrative services. Trustee Berube asked why they would request an additional employee member to the board. Mr. Danielson said that he could not speak to that request. Trustee Anderson asked who requested the additional members and Mr. Danielson said it was the DPW Director. Trustee Teas asked how the employees become members and Trustee Berube said that it is an election. Trustee Anderson asked if each group will have an election and Mr. Danielson said yes. Trustee O'Brien asked if it clearly said "election" in the ordinance. Mr. Danielson said yes, it does. Trustee Teas asked if there were yearly elections and Mr. Danielson said no, it's a three year term. Trustee Teas mentioned that there could be large learning curves if you have different members starting at different times throughout the year. Mr. Danielson said yes, but since there will be one to finish Trustee Bausha's term; that would only be for one year where the other two positions would be for three years. It was also mentioned that the timeframe will probably be for June for this election.

Trustee Anderson asked what the highlighted sections of the proposed revisions were. Mr. Danielson said that those were the high impact items. Trustee Anderson wanted to know where this was in the legislative process and Mr. Danielson said that it was brought to this board and the changes were made so it is back to this board for

approval and then it will go to the Board of Public Works. If approved, it will go to the Board of Alderman.

Trustee Anderson spoke about the Admins System becoming obsolete and that we had to get our own pension accounting system up and running to replace it. At the time it was introduced, it was discussed that it would save the City money and whatever costs we incurred; in this case having Hooker & Holcombe do the work for us would be absorbed by the City. Trustee Anderson said that this has changed as part of the City's budget process and now the annual fee of approximately \$40,000 will have to come out of the pension fund. Trustee Berube asked if that was something that we can re-visit again in January to see where we are in getting ready for the following years budget process. Trustee Anderson thought that was an excellent question. He also previously asked if this was something mandated or is this something we can vote on and was told that this is mandated. He does think it can be revisited year by year. He believes we picked the low cost option with Hooker & Holcombe which makes sense. Trustee Teas mentioned two things. First he said it is a surprise that we have to incur this cost but he looks at it as that it is only fair that the administration cost of a fund should be absorbed by that fund. He feels that the pension fund has been fortunate over that years that the City has contributed and found resources to pay for it. He does agree that it should be revisited annually. Trustee O'Brien pointed out that when we stepped into this, we saw a cost benefit with it, where is it now? He asked what the City's cost to do this administrative work was previously. He thought that some kind of dollar figure must be available. Mr. Danielson thought there would be a way to quantify all the parts to which Trustee O'Brien asked if we should. Trustee O'Brien agrees that our intention was to go to Hooker & Holcombe to save money. Mr. Danielson wanted to make a point that it will cost the fund approximately \$41,000 and to save money, we could limit the number of times we have Hooker & Holcombe update the employee file (database). Mr. Danielson said that we could have them update the employee file (database) quarterly or even annually instead of monthly. Trustee Anderson asked Mr. Fredette (who has just joined the meeting) can this cost be revisited next year. Mr. Fredette said yes this can be revisited in December.

**MOTION BY:** Trustee, Frank Teas moved to approve accept the changes in the summary of revisions made to NRO Chapter 45 Article IV – Board of Public Works Retirement System which the retirees will be seeing on July 1, 2019 and incorporates the online access to benefits.

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

**MOTION CARRIED:** Unanimously

**DISCUSSION:** Trustee Berube asked if we were going to add if we will be revisiting the change of the cost to the pension fund to which Trustee Teas said he will make another motion. Trustee Anderson asked that it be put under old business on upcoming agendas as the "Annual review of the cost of Hooker & Holcombe's administrative services". Trustee Berube asked if we needed a motion for that or if we just carry it. Trustee O'Brien asked if we could just amend the motion to the November or December meeting. Trustee Anderson said we will just carry it forward.

### **New Business:**

Approval of the current disbursement of funds for the period of February 1, 2019 thru February 28, 2019 in the amount of \$216,637.56 was presented to the Board. The Trustees reviewed the detail.

**MOTION BY:** Trustee, Frank Teas moved to approve the current disbursement of funds for the period of February 1, 2019 thru February 28, 2019 in the amount of \$216,848.06

**SECONDED BY:** Trustee, Frank Anderson

**MOTION CARRIED:** Unanimously

**DISCUSSION:**

**Period for Public Comment:**

None

**Items by the Trustees:**

Trustee Anderson asked where we are with Trustee Bausha since his retirement and his replacement on the board. Mr. Fredette said that we put the elections off because of the changes to the ordinance and now we will have to add an additional employee member once the ordinance is passed. Mr. Fredette said the election will probably be held at either the end of May or beginning of June. Trustee Teas asked if Trustee Anderson, as chairman of the board has the ability to fill a vacant seat if a Trustee is absent to which Mr. Fredette said no, he does not.

Mr. Danielson brought up that in regards to approving the previous minutes, per the Legal Department, you do not need the same Trustees to be present to approve the minutes as were present at said meeting. Trustee Anderson asked how could you approve that the minutes were accurate and Mr. Fredette said that the Trustees who were there have read the minutes and would hopefully speak up.

Trustee Berube asked how long it has been that an employee contributes 9.15% of their salary to their pension. Mr. Fredette said it went from 8% to 9.15% approximately 20 years ago. He thinks when the fund started in 1947 it was approximately 7%. He stated that it is a very unique but stable plan. Trustee Berube also asked where it came about that your pension is based on your last year's salary. Mr. Fredette said that it is in the ordinance. Mr. Fredette said it has always been the last 12 mos. of your current base salary not including overtime. Mr. Fredette also mentioned that you do not pay into the fund on any overtime pay you receive.

Next meeting is set for April 30, 2019.

**MOTION TO ADJOURN:** Trustee, Frank Anderson moved to adjourn at 12:03pm.

**SECONDED BY:** Trustee, Kathie Berube

**MOTION CARRIED:** Unanimously

*Minutes Transcribed by: Mary Woods*