

The regular meeting of the Montague Retirement Board, duly posted, was held online via Zoom (due to COVID19) on the above date, and came to order at 9:34 am.

Chairperson Carolyn Olsen announced that the meeting was being recorded, and roll call was taken.

Retirement Board Members Present: Carolyn Olsen, Cheryl Clark, David Dion, and Marianne Fisk were present. Steven Ellis was absent.

Retirement Board Staff Present: Administrator Deb Underhill was present.

Minutes: September 29, 2020 Retirement Board meeting minutes were presented for review and approval.

On a motion made by Cheryl Clark, seconded by Marianne Fiske, the Board voted to approve the September 29, 2020 Retirement Board meeting minutes.

Roll Call Vote: Carolyn Olsen YES, Cheryl Clark YES, David Dion YES, Marianne Fiske YES

Vote: 4 In Favor 0 Opposed 0 Abstained

Contributory Retirement Warrant #10: Approve October Warrant #10 dated October 30, 2020, in the amount of \$284,505.75.

Payroll	\$ 270,284.29
Expenses	\$ 10,066.76
AS Transfer	<u>\$ 4,154.70</u>
Total Warrant	<u>\$ 284,505.75</u>

On a motion made by Cheryl Clark, seconded by Marianne Fiske, the Board voted to approve the October 30, 2020 Warrant in the amount of \$284,505.75.

Roll Call Vote: Carolyn Olsen YES, Cheryl Clark YES, David Dion YES, Marianne Fiske YES.

Vote: 4 In Favor 0 Opposed 0 Abstained

New Members: Approve new member listed below:

Christina Forde, Admin Asst., WPCF, effective 10/5/2020

On a motion made by Cheryl Clark, seconded by Marianne Fiske, the Board voted to approve the new member listed above.

Roll Call Vote: Carolyn Olsen YES, Cheryl Clark YES, David Dion YES, Marianne Fiske YES.

Vote: 4 In Favor 0 Opposed 0 Abstained

Election: It is hereby determined that Cheryl Clark was the only candidate nominated for the Fourth Member of the Montague Retirement Board. A Board vote is to be taken to declare Cheryl Clark to be elected to the Montague Retirement Board and no election shall take place. Her term will commence December 17, 2020 and expire on December 16, 2023.

On a motion made by David Dion, seconded by Marianne Fiske, the Board voted to declare Cheryl Clark to be elected to the Montague Retirement Board and no election shall take place. Her term will commence December 17, 2020 and expire on December 16, 2023.

Roll Call Vote: Carolyn Olsen YES, Cheryl Clark YES, David Dion YES, Marianne Fiske YES.

Vote: 4 In Favor 0 Opposed 0 Abstained

AS Transfer: Shona Van't Land, GMRSD, 11/13/2013 – 8/8/2016, 2 years, 8 months, 26 days, transfer to Hampshire County Retirement System, in the amount of \$4,154.70.

On a motion made by Cheryl Clark, seconded by Marianne Fiske, the Board voted to approve the transfer to Hampshire County Retirement System for Shona Van't Land, GMRSD, 11/13/2013 – 8/8/2016, 2 years, 8 months, 26 days, in the amount of \$4,154.70.

Roll Call Vote: Carolyn Olsen YES, Cheryl Clark YES, David Dion YES, Marianne Fiske YES.

Vote: 4 In Favor 0 Opposed 0 Abstained

Notice regarding the town audit of the retirement system: the audit letter and financial statements provided by Melanson are available for review. There were no findings.

Notice: The term of the 5th Board Member, currently held by Marianne Fiske, will expire on January 31, 2021. Following is an outline of the procedure, which was approved by the Board on 3/21/2018:

1. 3 months prior - ad to be placed (3 consecutive Saturdays beginning 10/31/20)
2. November 2020 Board meeting – review applicants and interview selections
3. December 2020 Board meeting – interview applicants
4. January 2021 Board meeting – appoint 5th member

CY2021 Budget: Board to review, discuss, and approve CY2021 expense budget, including administrator salary.

**MONTAGUE RETIREMENT SYSTEM
CALENDAR 2020 & PROPOSED CY21 BUDGET**

Description	CY20		DIFFERENCE	CY2021		
	BUDGETED	ESTIMATED		PROPOSED BUDGET	% CHANGE	
Salaries						
Town Accountant	4,020	4,020	0	4,020	0.00%	
Treasurer	3,000	3,000	0	3,000	0.00%	
* Administrator/28 hrs	43,015	43,015	0	45,176	18.47%	
**Administrator Extra Hours	500	200	300	500	40.00%	(20 extra hours)
Board Stipend	16,080	16,080	0	16,080	0.00%	
Total Salaries	66,615	66,315	300	68,776	12.23%	
Expenses						
Fiduciary Ins.	2,500	2,400	100	2,500	0.00%	
Contract Labor	500	1,500	-1,000	1,000	100.00%	*IT Support
Administrative Expenses ***	6,000	6,000	0	6,200	8.33%	
PTG Support	21,500	21,500	0	22,300	3.72%	
Association Dues	600	600	0	600	0.00%	
Election	500	265	235	500	100.00%	
Employee Fringe Costs****	9,500	8,250	1,250	9,500	0.00%	* upgrade PC, monitor
Furniture & Equip.	1,000	1,295	-295	2,500	150.00%	
Legal Exp.	8,000	3,000	5,000	8,000	0.00%	
Travel & Education/Training	6,500	50	6,450	6,500	0.00%	
Town Audit - GASB	5,000	5,000	0	5,000	0.00%	
Management Fees (PRIT)	270,000	195,000	75,000	250,000	0.00%	
Total Expenses	331,600	244,860	86,740	314,600	1.15%	
Total Salaries & Expenses	398,215	311,175	87,040	383,376	3.00%	

****Empl. Fringe Costs = \$7500 BC/BS PPO Individual, \$150 Life Ins, \$250 WC, \$950 MC (includes MC for board stipends).

New PC w/MS Office \$2000 + IT time to set up \$600

Board discussed budget line items as presented in draft budget, except Administrator Salary:

Carolyn Olsen commented that there were just a few small increases. Administrator Deb Underhill said she had just received the advertising bill for the 5th Board member position, in the amount of \$569.70. Carolyn Olsen said that since there are other election expenses in addition to advertising, the election budget should be increased to \$1000. Board member David Dion asked about the computer expense. Ms. Underhill said we needed to upgrade the office PC, including an upgrade to Windows 10, as Windows 7 is no longer being supported. PERAC is very concerned about cyber security. The draft budget reduces the management fees to \$250,000, but Board members Carolyn Olsen, Cheryl Clark and Marianne Fiske agreed that it should be left at the current \$270,000. Ms. Underhill will update the budget and submit it for approval at the November Board meeting.

Board Chair Carolyn Olsen requested a motion to open discussion regarding the CY21 Administrator salary. Cheryl Clark moved to open a discussion.

Ms. Underhill has requested that the Board consider a 10% increase to \$32.50 per hour based on the following information:

1. An Administrator salary survey from 2019 for all the smaller retirement systems in the state, showing an average salary of \$40.29 per hour.
2. Minutes from the 10/22/2002 budget meeting, showing that the administrator salary for 2004 was \$26.53. The 2020 Administrator hourly rate is \$29.55, only 10% higher than 2004. The consumer price index (CPI) indicates an inflation rate of 39.03% from 2004-2020.

Carolyn Olsen said that she looked at the Town's last wage survey, and Grade F for an equivalent position showed a range of \$33.98 for FY21 and \$34.49 for FY22. Accounting for Ms. Underhill's 5 years of service, even though a 10% increase sounds like a lot, it is reasonable compared to other Town salaries. Ms. Olsen said she would like to discuss increasing the Administrator hourly rate to \$32.50.

Marianne Fiske said that even with a 10% increase, the Administrator salary is lower than any other Administrator in the state (according to a 2019 salary survey of smaller MA retirement systems). At the 10% increase to \$32.50 per hour, the Administrator's wage is never going to be comparable to other Administrator salaries in the state. Ms. Fiske suggested an increase to \$36 per hour.

Carolyn Olsen said \$36 was within the grade she is using, so she is open to going above \$32.50 per hour, but not to \$36. Marianne Fiske suggested \$35 per hour. Carolyn Olsen said she'd be willing to support an increase to \$35. Cheryl Clark said that it is a large increase, but Deb has done a great job during the COVID-19 crisis this year, working from home and making sure everything is done. Ms. Clark supports the increase to \$35 per hour. **David Dion said that he feels that everyone deserves a raise, just not such a large increase.**

Carolyn Olsen said the Board has always had the problem of paying the Retirement Administrator low wages compared to other administrators in the state. The Board has been fortunate to get good people who have all done exemplary jobs, for which the Board is grateful. Since Ms. Underhill will be retiring within 10 years, it would be in our best interest to begin paying our Administrator a reasonably comparable rate. It doesn't make sense to have to pay a new person a higher rate without compensating the person who is currently doing the work.

On a motion made by Marianne Fiske, seconded by Cheryl Clark, the Board voted to increase the Administrator hourly rate to \$35 effective 1/1/2021.

Roll Call Vote: Carolyn Olsen YES, Cheryl Clark YES, David Dion NO, Marianne Fiske YES.

Vote: 3 In Favor 1 Opposed 0 Abstained

Notice: Administrator Deb Underhill did not take a vacation day on Thursday, October 8th as listed on the September agenda. She will be taking vacation days November 12th and November 25th.

Financial Statements: Board reviewed the September 2020 financial statements containing the following documents:

Cash Receipts Report	Bank Statements	Monthly Trial Balance
Cash Disbursement Report	Bank Reconciliation	Y-T-D Trial Balance
Adjustments Report	PRIT Statements	Monthly General Ledger
Supplementary Schedule	PRIT Reconciliation	Y-T-D Budget

Meeting Adjourned 10:02 am.

Upcoming Meetings: Tuesday November 24, 2020@ 9:30 am via Zoom
Tuesday December 22, 2020 @ 9:30 am via Zoom
Tuesday January 26, 2020 @ 9:30 am via Zoom

APPROVED BY THE MONTAGUE BOARD OF RETIREMENT

Carolyn Olsen, Chairperson

respectfully submitted,

Cheryl Clark

Debra Underhill
Administrator
Montague Retirement Board

David Dion

Marianne Fiske

Steven Ellis

BOARD MEMBER POSITION & TERMS:

1. C. Olsen – Ex-Officio
2. S. Ellis – appointed by Selectboard
3. D. Dion – expires 5/30/22
4. C. Clark – expires 12/16/20
5. M. Fiske – expires 12/31/21

Annual items:

- Jan/Feb - Post COLA hearing
- March – COLA
- Mar/Apr – Approve Annual Stmt
- Sept – Vote chairman
- Oct – Administrator evaluation & compensation, stipends, budget for next year
- Nov – Budget approval