

HOUSE No. 01845

The Commonwealth of Massachusetts

PRESENTED BY:

Thomas J. Calter

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act authorizing the Plymouth County contributory retirement system to issue pension funding bonds or notes..

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Thomas J. Calter</i>	<i>12th Plymouth</i>

HOUSE No. 01845

By Representative Mr. Calter of Kingston, petition (accompanied by bill, House, No. 01845) of Calter relative to authorizing the Plymouth County Contributory Retirement System to issue certain bonds and notes Joint Committee on Public Service.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
□ HOUSE
□ , NO. 2519 OF 2009-2010.]

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act authorizing the Plymouth County contributory retirement system to issue pension funding bonds or notes..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- 1 SECTION 1. As used in this act, the following words shall have the following meanings: -
- 2 “Plymouth County Contributory Retirement System” shall mean the contributory retirement
- 3 system established by Plymouth county pursuant to chapter 32 of the General Laws.
- 4 “Plymouth County Retirement Board” means the five member retirement board managing the
- 5 Plymouth Country Contributory Retirement System.
- 6 SECTION 2. Plymouth County Contributory Retirement System may issue bonds or notes from
- 7 time to time for the purpose of funding all or a portion of the unfunded pension liability of the

8 Plymouth County Contributory Retirement System. The bonds or notes shall be signed by the
9 Chairman of the Plymouth County Retirement Board and countersigned by the manual or
10 facsimile signature of a majority of the members of the Plymouth County Retirement Board.
11 Bonds or notes issued under this act shall be outside any limit of indebtedness other than as set
12 forth in this act, and shall be issued for terms not in excess of 20 years from their date of issue.
13 The aggregate amount of bonds or notes which may be issued by Plymouth County Contributory
14 Retirement System under this act shall not exceed the amount which the Plymouth County
15 Retirement Board, with the approval of the Plymouth County Retirement Advisory Board, shall
16 determine to be necessary to be issued to fund the unfunded pension liability of the Plymouth
17 County Contributory Retirement System as of a particular date and to provide for issuance costs,
18 interest on the bonds or notes, a reserve fund to secure the bonds, if any, and other expenses
19 necessary or incidental thereto. Such determination by the Plymouth County Retirement Board
20 of the unfunded pension liability shall be based upon the report of a nationally recognized
21 independent consulting firm, which shall be acceptable to the Public Employee Retirement
22 Administration Commission, and which may be the consulting actuary generally retained by the
23 Plymouth County Retirement Board on behalf of the Plymouth County Contributory Retirement
24 System.

25 SECTION 3. The maturities of bonds or notes issued under this act shall be arranged as
26 determined by the Chairman of the Plymouth County Retirement Board, with the approval of a
27 majority of the members of the Plymouth County Retirement Board. The bonds or notes may be
28 sold at public or private sale, on terms approved by the Chairman of the Plymouth County
29 Retirement Board, with approval of a majority of the members of the Plymouth County
30 Retirement Board. Such bonds or notes may be sold at a premium or discount. Such bonds or

31 notes shall bear such rate or rates of interest as may be fixed by the Chairman of the Plymouth
32 County Retirement Board, with the approval of a majority of the members of the Plymouth
33 County Retirement Board. Such bonds or notes may, in the discretion of the Chairman of the
34 Plymouth County Retirement Board, with the approval of a majority of the members of the
35 Plymouth County Retirement Board, be subject to prepayment at the option of the holder thereof
36 at such times and prices and under such circumstances as the Chairman of the Plymouth County
37 Retirement Board, with the approval of a majority of the members of the Plymouth County
38 Retirement Board, shall specify.

39 Bond or notes issued under this act may be secured in whole or in part by insurance or by letters
40 or lines of credit or other credit facilities upon approval of the Chairman of the Plymouth
41 Country Retirement Board, with approval of a majority of the members of the Plymouth County
42 Retirement Board. Any such insurance, letter or line of credit or credit facility may provide for
43 reimbursement to be made over such period of time, not to exceed two years beyond the maturity
44 date of the bonds or notes so secured, as the Chairman of the Plymouth County Retirement
45 Board, with the approval of a majority of the members of the Plymouth County Retirement
46 Board, shall deem proper, including rates variable from time to time as determined by such
47 index, banker's loan rate or other method as may be specified therein. For the purpose of
48 securing such bonds or notes Plymouth County Contributory Retirement System, acting by the
49 Chairman of the Plymouth County Retirement Board, with the approval of a majority of the
50 members of the Plymouth County Retirement Board, may enter into a trust agreement between
51 Plymouth County Contributory Retirement System and a corporate trustee which shall be a bank
52 or trust company doing business in the Commonwealth. Any such trust agreement, and any
53 remarketing or other agreements necessary or incidental to the issuance of such bonds or notes,

54 shall be in such form as may be deemed proper by the Chairman, with the approval of a majority
55 of the members of the Plymouth County Retirement Board, and shall be executed by the
56 Chairman. It shall be lawful for any bank or trust company doing business in the Commonwealth
57 to act as a depository or trustee under any such trust agreement and to furnish such
58 indemnification and pledge such securities as may be required by Plymouth County Contributory
59 Retirement System. Any trustee under a trust agreement established pursuant to this section may
60 bring suit upon the bonds or notes and may, either at law or equity, by suit, action, mandamus or
61 other proceedings for legal or equitable relief, enforce all rights under the laws of the
62 Commonwealth or granted hereunder or under such trust agreement, and may enforce and
63 compel the performance of all duties required under such trust agreement to be performed by the
64 Plymouth County Contributory Retirement System or by any unit thereof. All expenses incurred
65 in carrying out the provisions of this Act may be treated by Plymouth County Contributory
66 Retirement System as a cost of issuance.

67 SECTION 4. Proceeds of any bonds or notes issued under this act, other than amounts to be
68 applied for the issuance costs or other expenses, to fund a reserve fund, if needed, or to pay
69 interest on the bonds or notes, shall be paid to the Plymouth County Contributory Retirement
70 System and shall be allocated solely to reduce the unfunded pension liability to which the bonds
71 or notes relate. Proceeds of any bonds or notes under this act shall be invested in any investments
72 which are permitted under chapter 32 of the General Laws, and shall otherwise be held and
73 expended by the Plymouth County Contributory Retirement System in accordance with the law.

74 SECTION 5. Before the issue of any bonds or notes under this act the Chairman of the Plymouth
75 County Retirement Board and the Executive Director of the Plymouth County Contributory
76 Retirement System shall submit to the members of the Plymouth County Retirement Board a

77 plan showing the amount of the bonds and notes to be issued, the amount of the unfunded
78 pension liability to be funded with the proceeds of the bonds and notes, the proposed maturity
79 schedule of the bonds and notes, the proposed allocation of, if any, and plan to finance the
80 principal of and interest on the bonds and notes, the present value savings reasonably expected to
81 be achieved as a result of the issue of the bonds or notes, and any other information requested by
82 the members of the Plymouth County Retirement Board relating to the bonds and notes and no
83 bonds or notes shall be issued hereunder until a majority of the members of the Plymouth County
84 Retirement Board has approved the plan and specifically approved the maturity schedule of the
85 bonds or notes.

86 SECTION 6. Each of Plymouth county and the other governmental units that are members of
87 the Plymouth County Contributory Retirement System shall annually dedicate revenue received
88 by such governmental units in the course of its respective operations for the purposes of meeting
89 its allocable share of the debt obligations payable upon issuance of such bonds or notes as
90 determined in accordance with this section. Each such governmental unit shall be responsible
91 for such proportion of the annual debt service expense payable by Plymouth County
92 Contributory Retirement System for bonds or notes issued hereunder as is equal to the proportion
93 of the total unfunded pension liability to be funded with the proceeds of the bonds or notes as
94 relates to that governmental unit, including Plymouth county. Plymouth County Contributory
95 Retirement System shall have the legal rights and authority to collect any amount so assessed to
96 any such governmental unit. Notwithstanding any general or special law to the contrary, the
97 Public Employee Retirement Administration Commission shall increase the annual amount to be
98 certified under section 22 of Chapter 32 of the General Laws as the amount necessary to be paid

99 by each governmental unit's proportionate share of the annual debt service expense as
100 determined herein.

101 SECTION 7. Governmental units of the Plymouth County Contributory Retirement System will
102 have 60 days from the date of passage of this Act to affirmatively opt out of the bond issuance,
103 but will still be liable for any debts it owes to the Plymouth County Contributory Retirement
104 System. To affirmatively opt out of this bond issuance the authorized agent of the governmental
105 unit shall confirm in writing to the Plymouth County Retirement Board that it will not participate
106 in the pension funding bond program and that it acknowledges it is still liable for any and all of
107 the governmental unit's debts.

108 SECTION 8. Notwithstanding chapter 70 of the General Laws or any other general or special
109 law to the contrary, the portion of the annual debt service paid by Plymouth County Contributory
110 Retirement System for bonds or notes issued under this act applicable to school department
111 personnel who are members of the Plymouth County Contributory Retirement System shall be
112 included in the computation of net school spending for the purposes of said chapter 70 or any
113 other law.

114 SECTION 9. This act shall take effect upon its passage.