



City of New Bedford

IN COMMITTEE

April 08, 2021

The Honorable City Council
133 William Street
New Bedford, MA 02740

Dear Honorable Members of the City Council:

The Committee on Finance at a Meeting held on Monday, March 22, 2021, considered a COMMUNICATION, Councillor Morad submitting a letter from Gerard Arnaudet, Ex. Director, New Bedford Retirement Board, notifying the City Council that the Retirement Board voted to increase the COLA Base from \$12,000.00 to \$13,000.00 effective July 1, 2020. (Ref'd 01/09/2020)

On motion by Councillor Lima and seconded by Councillor Abreu, the Committee VOTED: To receive and place on file and recommend to the City Council to take "No Further Action" on the COMMUNICATION, Councillor Morad submitting a letter from Gerard Arnaudet, Ex. Director, New Bedford Retirement Board, notifying the City Council that the Retirement Board voted to increase the COLA Base from \$12,000.00 to \$13,000.00 effective July 1, 2020. This motion passed on a Roll Call Vote of Yeas 9, Nays 0, with Councillor Coelho not present for the vote and Councillors Abreu, yes; Baptiste, yes; Carney, yes; Dunn, yes; Giesta, yes; Lima, yes; Lopes, yes; Markey, yes and Morad, yes.

IN COMMITTEE ON FINANCE

Councillor Linda M. Morad, Chairperson

LMM: dmb



New Bedford Contributory Retirement System

James W. Allen, *Elected, Chairman*
Robert W. Ekstrom, *Ex-Officio*
Leonard F. Baillargeon, *Elected*
Angela M. Natho, *Appointed*
Susan Mandra Thompson, *Esq., Appointed 5th member*

December 23, 2019

Ms. Linda M. Morad, City Council President
City of New Bedford
133 William Street
New Bedford, MA 02740

RE: Retiree Cost of Living Adjustment (COLA)

Dear President Morad:

In accordance with Massachusetts General Laws, charter 32, section 103, the New Bedford Retirement Board has voted to increase the COLA base from \$12,000 to \$13,000, effective July 1, 2020, subject to the approval of the local legislative body. Our actuaries have calculated the cost impact of the increase and a copy is attached.

The Board looks forward to discussing the matter with you and the Council.

Sincerely,

Gerard Arnaudet
Executive Director
New Bedford Retirement Board



November 5, 2019

New Bedford Contributory
Retirement Board
631 Orchard Street, #203A
New Bedford, MA 02744

Dear Members of the Board:

As requested, we have analyzed the impact on the New Bedford Contributory Retirement System's liabilities and funding schedule as a result of adoption of certain local options. We used the data and results of the most recently completed January 1, 2018 valuation to develop the change in the accrued liability and normal cost and the resulting impact on the funding schedule. The results of our analysis follow:

Increase the COLA Base from \$12,000 to \$13,000 Effective July 1, 2020

A local option is available to raise the maximum base amount on which the annual cost-of-living adjustment (COLA) is calculated. Currently, the COLA percentage is applied to a retiree's retirement allowance up to \$12,000. The Board may increase the maximum base amount in multiples of \$1,000. The normal cost and accrued liability as a result of increasing the maximum base amount from \$12,000 to \$13,000 effective July 1, 2020 are expected to increase by \$52,800 and \$3,278,400, respectively. The impact in the appropriations for fiscal years 2020 and 2021 is an increase of \$352,800 and \$366,600, respectively.

In closing, we are happy to answer any questions you may have regarding the material we have provided in this supplemental report.

Sincerely,

A handwritten signature in black ink that reads "Linda Bournival". The signature is written in a cursive, flowing style.

Linda L. Bournival, FSA, EA
Consulting Actuary

K M S A C T U A R I E S

52 Hunt Road • Kingston, New Hampshire 03848-3456 • phone: (603) 792-9494 • kmsactuaries.com