CITY OF MELROSE

LEGAL & LEGISLATIVE COMMITTEE

AGENDA● MAY 22, 2023

Council Chamber, First Floor, Melrose City Hall **Committee Meeting** **7:15 PM**
562 Main Street, Melrose, MA 02176

The public should take notice that the Melrose City Council may, on certain occasions, have a quorum in attendance due to standing committees of the City Council consisting of both voting and non-voting members. Members attending this duly posted meeting are participating and deliberating only in conjunction with the business of the standing committee.

I. CALL TO ORDER

Ryan Williams	Chair
John Obremski	Vice Chair
Christopher Cinella	
Jack Eccles	
Maya Jamaleddine	
Jen Grigoraitis	President, Ex Oficio

II. PUBLIC COMMENT

Remote Link for Public Comment:
https://cityofmelrose-org.zoom.us/j/99081483447

Meeting ID:
990 8148 3447

III. ORDERS

1. **ORDER-2023-92 :** Requesting Approval to Increase the Melrose Retirement System's Cost of Living Adjustment ("COLA") for Fiscal Year 2023 from 3% to 5% as Allowed For By Chapter 269 of the Acts of 2022

From: City Council ASSIGNED TO COMMITTEE

IV. ADJOURNMENT

CITY OF MELROSE

MELROSE RETIREMENT BOARD

Patrick D. Dello Russo, *Chairman*
Michael L. Lyle, *Vice-Chairman*
Kelly Cogavin
John McLaughlin, Jr.
Scott Colborne

City Hall, 562 Main Street
Melrose, Massachusetts 02176
Telephone - (781) 979-4151
Fax - (781) 979-4206

April 11, 2023

The Honorable Paul Brodeur
Mayor of the City of Melrose
562 Main Street, City Hall
Melrose, MA 02176

Re: FY 2023 COLA Increase

Dear Mayor Brodeur:

Please be advised that, at its meeting held on Wednesday, March 28, 2023, the Melrose Retirement Board voted unanimously to increase the Fiscal Year 2023 Cost of Living Adjustment ("COLA") from 3 percent to 5 percent, on the base amount of $16,000. For the system to adopt the increase to the COLA, you would need to recommend the increase to the City Council and the Council must then vote in favor of the increase.

The local option to increase the FY2023 COLA was made available to retirement systems upon the Governor signing Chapter 269 of the Acts of 2022 into law. Chapter 269 of the Acts of 2022 specifies that the option to increase the percentage applied to the COLA base will only apply to the Fiscal Year 2023 COLA. If approved, the increase will be applied retroactively to July 1, 2022.

If you require additional information, please do not hesitate to contact me.

Sincerely,

Adam Travinski
Executive Director

Cc: City Clerk
PERAC

PERAC MEMO #29/2022

PERAC
COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

MEMORANDUM

TO: All Retirement Boards

FROM: John W. Parsons, Esq., Executive Director

RE: 5% Local COLA option

DATE: November 18, 2022

On November 16, 2022, the Governor signed Chapter 269 of the Acts of 2022 into law. This act provides the local retirement systems with a local option to increase the Cost of Living Adjustment ("COLA") for Fiscal Year 2023 to up to 5 percent on the base amount specified pursuant to G.L. c. 32, § 103. The approval of the increase can occur at any time during the fiscal year and will take effect as of July 1, 2022.

The local approval mechanism is different than traditional COLA increases and COLA base increases. In order for a system to adopt a COLA increase pursuant to this act, **the retirement board must vote for the increased amount and then it must also receive local approval**.

For purposes of this act, local approval means:

- In a city, the mayor must recommend the increase to the city council and the council must vote in favor.
- In a city having a Plan D or Plan E charter, the city manager must recommend the increase to the city council and the council must vote in favor.
- In a town, the chief executive officer[1] - the select board in nearly all cases - must vote in favor to accept the increase rather than the town meeting as is the case for COLA base increases.
- In a district, or other political subdivision, the governing board, commission or committee must vote in favor to accept the COLA increase.

[1] As defined in G.L. c. 4, § 7, "chief executive officer", when used in connection with the operation of municipal governments shall include the mayor in a city and the select board in a town unless some other municipal office is designated to be the chief executive officer under the provisions of a local charter.

FIVE MIDDLESEX AVENUE, SUITE 304 | SOMERVILLE, MA 02145
PH 617 666 4446 | FAX 617 628 4002 | TTY 617 591 8917 | WWW.MASS.GOV/PERAC

- In a regional system, two-thirds of the cities and towns within the system must approve the increase. This is done in the same fashion as stated above for municipalities: in a city, by the city council upon recommendation by the mayor or, in a city with a Plan D or Plan E charter, the city manager; or, in a town, by approval of the chief executive officer (likely the select board) as defined by G.L. c. 4, § 7.
- In a county, the county commissioners, who normally do not have a role in COLAs nor COLA base increases, must vote to accept **and** two-thirds of the cities and towns within the system must approve the increase in the same manner as stated above for regional systems.

Though many local systems are comprised of multiple units such as housing authorities and districts, the two-thirds language only applies to regional and county systems as the approval specified in the statute only refers to cities and towns as voting political subdivisions.

Section 2 of the act provides that a COLA increase pursuant to this act is retroactive to July 1, 2022. Any COLA increase, in addition to any COLA previously adopted for FY 23, will become part of the fixed amount of a retirees' retirement allowance in the same manner as all COLAs granted pursuant to section 103.

PERAC has already received questions about estimating the cost of the enhanced COLA. PERAC Actuary John Boorack has provided the following formula for a conservative full-cost estimate, not a one-year estimate, to assist boards in their planning:

(0.2) x (COLA base) x (# of retirees/beneficiaries)

If you have any questions about this memo, please contact PERAC's General Counsel, Judith Corrigan, at (617) 591-8904 or at judith.a.corrigan@mass.gov.

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CITY OF MELROSE

PAUL BRODEUR
Mayor

OFFICE OF THE MAYOR

City Hall, 562 Main Street
Melrose, Massachusetts 02176
Telephone - (781) 979-4440

MEMORANDUM

To: Melrose City Council
From: Mayor Paul Brodeur
Re: Melrose Retirement System FY23 COLA
Date: May 15, 2023

I hereby request the Honorable City Council approve an increase to the Melrose Retirement System's Cost of Living Adjustment ("COLA") for Fiscal Year 2023 from 3% to 5% as allowed for by Chapter 269 of the Acts of 2022. This new law signed by the Governor gives local retirement systems the option to increase the COLA for FY23 to up to 5% on the base amount as specified pursuant to G.L. c. 32, s. 103.

In order for a local system to adopt this COLA increase, the retirement board must vote for the increase, and local approval must be received. At its meeting held on Wednesday, March 28, 2023, the Melrose Retirement Board voted unanimously to increase the Fiscal Year 2023 Cost of Living Adjustment ("COLA") from 3% to 5%, on the base amount of $16,000. In our City, local approval requires my recommendation, and a majority vote of City Council to allow for this COLA base increase for retirees.

I respectfully recommend the City Council approve this increase.