

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Allen J. McCarthy

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:
Allen J. McCarthy	7th Plymouth
Thomas P. Kennedy	

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

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 system
3 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 Plymouth
5 Country Contributory Retirement System.

6 SECTION 2. Plymouth County Contributory Retirement System may issue bonds or notes from time to
7 time for the purpose of funding all or a portion of the unfunded pension liability of the Plymouth County
8 Contributory Retirement System. The bonds or notes shall be signed by the Chairman of the Plymouth
9 County Retirement Board and countersigned by the manual or facsimile signature of a majority of the
10 members of the Plymouth County Retirement Board. Bonds or notes issued under this act shall be
11 outside any limit of indebtedness other than as set forth in this act, and shall be issued for terms not in
12 excess of 20 years from their date of issue. The aggregate amount of bonds or notes which may be issued
13 by Plymouth County Contributory Retirement System under this act shall not exceed the amount which
14 the Plymouth County Retirement Board, with the approval of the Plymouth County Retirement Advisory
15 Board, shall determine to be necessary to be issued to fund the unfunded pension liability of the Plymouth
16 County Contributory Retirement System as of a particular date and to provide for issuance costs, interest
17 on the bonds or notes, a reserve fund to secure the bonds, if any, and other expenses necessary or
18 incidental thereto. Such determination by the Plymouth County Retirement Board of the unfunded
19 pension liability shall be based upon the report of a nationally recognized independent consulting firm,
20 which shall be acceptable to the Public Employee Retirement Administration Commission, and which
21 may be the consulting actuary generally retained by the Plymouth County Retirement Board on behalf of
22 the Plymouth County Contributory Retirement System.

23 SECTION 3. The maturities of bonds or notes issued under this act shall be arranged as determined by the
24 Chairman of the Plymouth County Retirement Board, with the approval of a majority of the members of
25 the Plymouth County Retirement Board. The bonds or notes may be sold at public or private sale, on
26 terms approved by the Chairman of the Plymouth County Retirement Board, with approval of a majority
27 of the members of the Plymouth County Retirement Board. Such bonds or notes may be sold at a
28 premium or discount. Such bonds or notes shall bear such rate or rates of interest as may be fixed by the
29 Chairman of the Plymouth County Retirement Board, with the approval of a majority of the members of
30 the Plymouth County Retirement Board. Such bonds or notes may, in the discretion of the Chairman of
31 the Plymouth County Retirement Board, with the approval of a majority of the members of the Plymouth
32 County Retirement Board, be subject to prepayment at the option of the holder thereof at such times and
33 prices and under such circumstances as the Chairman of the Plymouth County Retirement Board, with the
34 approval of a majority of the members of the Plymouth County Retirement Board, shall specify.

35 Bond or notes issued under this act may be secured in whole or in part by insurance or by letters or lines
36 of credit or other credit facilities upon approval of the Chairman of the Plymouth Country Retirement
37 Board, with approval of a majority of the members of the Plymouth County Retirement Board. Any such
38 insurance, letter or line of credit or credit facility may provide for reimbursement to be made over such
39 period of time, not to exceed two years beyond the maturity date of the bonds or notes so secured, as the
40 Chairman of the Plymouth County Retirement Board, with the approval of a majority of the members of
41 the Plymouth County Retirement Board, shall deem proper, including rates variable from time to time as
42 determined by such index, banker's loan rate or other method as may be specified therein. For the purpose
43 of securing such bonds or notes Plymouth County Contributory Retirement System, acting by the
44 Chairman of the Plymouth County Retirement Board, with the approval of a majority of the members of
45 the Plymouth County Retirement Board, may enter into a trust agreement between Plymouth County
46 Contributory Retirement System and a corporate trustee which shall be a bank or trust company doing
47 business in the Commonwealth. Any such trust agreement, and any remarketing or other agreements
48 necessary or incidental to the issuance of such bonds or notes, shall be in such form as may be deemed
49 proper by the Chairman, with the approval of a majority of the members of the Plymouth County
50 Retirement Board, and shall be executed by the Chairman. It shall be lawful for any bank or trust
51 company doing business in the Commonwealth to act as a depository or trustee under any such trust
52 agreement and to furnish such indemnification and pledge such securities as may be required by
53 Plymouth County Contributory Retirement System. Any trustee under a trust agreement established
54 pursuant to this section may bring suit upon the bonds or notes and may, either at law or equity, by suit,
55 action, mandamus or other proceedings for legal or equitable relief, enforce all rights under the laws of
56 the Commonwealth or granted hereunder or under such trust agreement, and may enforce and compel the
57 performance of all duties required under such trust agreement to be performed by the Plymouth County
58 Contributory Retirement System or by any unit thereof. All expenses incurred in carrying out the
59 provisions of this Act may be treated by Plymouth County Contributory Retirement System as a cost of
60 issuance.

61 SECTION 4. Proceeds of any bonds or notes issued under this act, other than amounts to be applied for
62 the issuance costs or other expenses, to fund a reserve fund, if needed, or to pay interest on the bonds or
63 notes, shall be paid to the Plymouth County Contributory Retirement System and shall be allocated solely
64 to reduce the unfunded pension liability to which the bonds or notes relate. Proceeds of any bonds or
65 notes under this act shall be invested in any investments which are permitted under chapter 32 of the

66 General Laws, and shall otherwise be held and expended by the Plymouth County Contributory
67 Retirement System in accordance with the law.

68 SECTION 5. Before the issue of any bonds or notes under this act the Chairman of the Plymouth County
69 Retirement Board and the Executive Director of the Plymouth County Contributory Retirement System
70 shall submit to the members of the Plymouth County Retirement Board a plan showing the amount of the
71 bonds and notes to be issued, the amount of the unfunded pension liability to be funded with the proceeds
72 of the bonds and notes, the proposed maturity schedule of the bonds and notes, the proposed allocation of,
73 if any, and plan to finance the principal of and interest on the bonds and notes, the present value savings
74 reasonably expected to be achieved as a result of the issue of the bonds or notes, and any other
75 information requested by the members of the Plymouth County Retirement Board relating to the bonds
76 and notes and no bonds or notes shall be issued hereunder until a majority of the members of the
77 Plymouth County Retirement Board has approved the plan and specifically approved the maturity
78 schedule of the bonds or notes.

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

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

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

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