

HOUSE No. 2519

The Commonwealth of Massachusetts

In the Year Two Thousand 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 -

3 “Plymouth County Contributory Retirement System” shall mean the contributory
4 retirement system established by Plymouth county pursuant to chapter 32 of the General Laws.

5 “Plymouth County Retirement Board” means the five member retirement board
6 managing the Plymouth Country Contributory Retirement System.

7 SECTION 2. Plymouth County Contributory Retirement System may issue bonds or
8 notes from time to time for the purpose of funding all or a portion of the unfunded pension
9 liability of the Plymouth County Contributory Retirement System. The bonds or notes shall be
10 signed by the Chairman of the Plymouth County Retirement Board and countersigned by the
11 manual or facsimile signature of a majority of the members of the Plymouth County Retirement
12 Board. Bonds or notes issued under this act shall be outside any limit of indebtedness other than
13 as set forth in this act, and shall be issued for terms not in excess of 20 years from their date of

14 issue. The aggregate amount of bonds or notes which may be issued by Plymouth County
15 Contributory Retirement System under this act shall not exceed the amount which the Plymouth
16 County Retirement Board, with the approval of the Plymouth County Retirement Advisory
17 Board, shall determine to be necessary to be issued to fund the unfunded pension liability of the
18 Plymouth County Contributory Retirement System as of a particular date and to provide for
19 issuance costs, interest on the bonds or notes, a reserve fund to secure the bonds, if any, and
20 other expenses necessary or incidental thereto. Such determination by the Plymouth County
21 Retirement Board of the unfunded pension liability shall be based upon the report of a nationally
22 recognized independent consulting firm, which shall be acceptable to the Public Employee
23 Retirement Administration Commission, and which may be the consulting actuary generally
24 retained by the Plymouth County Retirement Board on behalf of the Plymouth County
25 Contributory Retirement System.

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

at such times and prices and under such circumstances as the Chairman of the Plymouth County Retirement Board, with the approval of a majority of the members of the Plymouth County Retirement Board, shall specify.

Bond or notes issued under this act may be secured in whole or in part by insurance or by letters or lines of credit or other credit facilities upon approval of the Chairman of the Plymouth Country Retirement Board, with approval of a majority of the members of the Plymouth County Retirement Board. Any such insurance, letter or line of credit or credit facility may provide for reimbursement to be made over such period of time, not to exceed two years beyond the maturity date of the bonds or notes so secured, as the Chairman of the Plymouth County Retirement Board, with the approval of a majority of the members of the Plymouth County Retirement Board, shall deem proper, including rates variable from time to time as determined by such index, banker's loan rate or other method as may be specified therein. For the purpose of securing such bonds or notes Plymouth County Contributory Retirement System, acting by the Chairman of the Plymouth County Retirement Board, with the approval of a majority of the members of the Plymouth County Retirement Board, may enter into a trust agreement between Plymouth County Contributory Retirement System and a corporate trustee which shall be a bank or trust company doing business in the Commonwealth. Any such trust agreement, and any remarketing or other agreements necessary or incidental to the issuance of such bonds or notes, shall be in such form as may be deemed proper by the Chairman, with the approval of a majority of the members of the Plymouth County Retirement Board, and shall be executed by the Chairman. It shall be lawful for any bank or trust company doing business in the Commonwealth to act as a depository or trustee under any such trust agreement and to furnish such indemnification and pledge such securities as may be required by Plymouth County Contributory

60 Retirement System. Any trustee under a trust agreement established pursuant to this section may
61 bring suit upon the bonds or notes and may, either at law or equity, by suit, action, mandamus or
62 other proceedings for legal or equitable relief, enforce all rights under the laws of the
63 Commonwealth or granted hereunder or under such trust agreement, and may enforce and
64 compel the performance of all duties required under such trust agreement to be performed by the
65 Plymouth County Contributory Retirement System or by any unit thereof. All expenses incurred
66 in carrying out the provisions of this Act may be treated by Plymouth County Contributory
67 Retirement System as a cost of issuance.

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

75 SECTION 5. Before the issue of any bonds or notes under this act the Chairman of the
76 Plymouth County Retirement Board and the Executive Director of the Plymouth County
77 Contributory Retirement System shall submit to the members of the Plymouth County
78 Retirement Board a plan showing the amount of the bonds and notes to be issued, the amount of
79 the unfunded pension liability to be funded with the proceeds of the bonds and notes, the
80 proposed maturity schedule of the bonds and notes, the proposed allocation of, if any, and plan to
81 finance the principal of and interest on the bonds and notes, the present value savings reasonably
82 expected to be achieved as a result of the issue of the bonds or notes, and any other information

requested by the members of the Plymouth County Retirement Board relating to the bonds and notes and no bonds or notes shall be issued hereunder until a majority of the members of the Plymouth County Retirement Board has approved the plan and specifically approved the maturity schedule of the bonds or notes.

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

SECTION 7. Governmental units of the Plymouth County Contributory Retirement System will have 60 days from the date of passage of this Act to affirmatively opt out of the bond issuance, but will still be liable for any debts it owes to the Plymouth County Contributory Retirement System. To affirmatively opt out of this bond issuance the authorized agent of the

106 governmental unit shall confirm in writing to the Plymouth County Retirement Board that it will
107 not participate in the pension funding bond program and that it acknowledges it is still liable for
108 any and all of the governmental unit's debts.

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

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