

**HOUSE . . . . . No. 4300**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Garrett J. Bradley***

*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 adoption of the accompanying bill:

An Act authorizing the Plymouth County Contributory Retirement System to issue pension funding bonds or notes.

PETITION OF:

NAME:

*Garrett J. Bradley*

DISTRICT/ADDRESS:

*3rd Plymouth*

**HOUSE . . . . . No. 4300**

By Mr. Bradley of Hingham, a petition (subject to Joint Rule 12) of Garrett J. Bradley that the Plymouth County Contributory Retirement System be authorized to issue pension funding bonds or notes. Municipalities and Regional Government.

**The Commonwealth of Massachusetts**

**In the One Hundred and Eighty-Ninth General Court  
(2015-2016)**

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, unless the context clearly  
2 requires otherwise, have the following meanings: -

3 “Chairman”, chairman of the Plymouth county retirement board.

4 “ Secretary”, secretary of administration and finance

5 “Plymouth county contributory retirement system” or “retirement system”, the  
6 contributory retirement system established by Plymouth county pursuant to chapter 32 of the  
7 General Laws.

8 “Plymouth county retirement board” or “board”, the 5 member retirement board  
9 managing the Plymouth county contributory retirement system.

10 SECTION 2. The Plymouth county contributory retirement system may issue bonds or  
11 notes from time to time for the purpose of funding all or a portion of the unfunded pension  
12 liability of the retirement system. The bonds or notes shall be signed by the chairman and  
13 countersigned by the manual or facsimile signature of a majority of the members of the  
14 Plymouth county retirement board. Bonds or notes issued pursuant to this act shall be outside  
15 any limit of indebtedness other than as set forth in this act, and shall be issued for terms not in  
16 excess of 20 years from their date of issue. The aggregate amount of bonds or notes that may be  
17 issued by the retirement system pursuant to this act shall not exceed the amount that the board,  
18 with the approval of the Plymouth county retirement advisory board, shall determine to be  
19 necessary to be issued to fund the unfunded pension liability of the retirement system as of a  
20 particular date and to provide for issuance costs, interest on the bonds or notes, a reserve fund to  
21 secure the bonds, if any, and other expenses necessary or incidental thereto. A determination by  
22 the board of the unfunded pension liability shall be based upon the report of a nationally  
23 recognized independent consulting firm, which shall be acceptable to the public employee  
24 retirement administration commission, and which may be the consulting actuary generally  
25 retained by the board on behalf of the retirement system.

26 SECTION 3. The maturities of bonds or notes issued pursuant to this act shall be  
27 arranged as determined by the chairman, with the approval of a majority of the members of the  
28 board. The bonds or notes may be sold at public or private sale, on terms approved by the  
29 chairman, with approval of a majority of the members of the board. The bonds or notes may be  
30 sold at a premium or discount and shall bear such rate or rates of interest as may be fixed by the  
31 chairman, with the approval of a majority of the members of the board. The bonds or notes may,  
32 in the discretion of the chairman, with the approval of a majority of the members of the board, be

33 subject to prepayment at the option of the holder thereof at such times and prices and under such  
34 circumstances as the chairman with the approval of a majority of the members of the board, shall  
35 specify.

36 Bond or notes issued pursuant to this act may be secured in whole or in part by insurance  
37 or by letters or lines of credit or other credit facilities upon approval of the chairman, with  
38 approval of a majority of the members of the board. Any such insurance, letter or line of credit or  
39 credit facility may provide for reimbursement to be made over a period of time, not to exceed 2  
40 years beyond the maturity date of the bonds or notes so secured, as the chairman, with the  
41 approval of a majority of the members of the board, shall deem proper, including rates variable  
42 from time to time as determined by an index, banker's loan rate or other method as may be  
43 specified therein. For the purpose of securing the bonds or notes, the Plymouth county  
44 contributory retirement system, acting by the chairman, with the approval of a majority of the  
45 members of the board, may enter into a trust agreement between the retirement system and a  
46 corporate trustee, which shall be a bank or trust company doing business in the commonwealth.

47 Any trust agreement, and any remarketing or other agreements necessary or incidental to  
48 the issuance of the bonds or notes, shall be in a form as may be deemed proper by the chairman,  
49 with the approval of a majority of the members of the board, and shall be executed by the  
50 chairman.

51 It shall be lawful for any bank or trust company doing business in the commonwealth to  
52 act as a depository or trustee under a trust agreement and to furnish indemnification and pledge  
53 securities as may be required by the retirement system. Any trustee under a trust agreement  
54 established pursuant to this section may bring suit upon the bonds or notes and may, either at law

55 or equity, by suit, action, mandamus or other proceedings for legal or equitable relief, enforce all  
56 rights under the laws of the commonwealth or granted hereunder or under the trust agreement,  
57 and may enforce and compel the performance of all duties required under the trust agreement to  
58 be performed by the retirement system or by any unit thereof.

59 All expenses incurred in carrying out the provisions of this act may be treated by the  
60 retirement system as a cost of issuance.

61 SECTION 4. Proceeds of any bonds or notes issued pursuant to this act, other than  
62 amounts to be applied for the issuance costs or other expenses, to fund a reserve fund, if needed,  
63 or to pay interest on the bonds or notes, shall be paid to the retirement system and shall be  
64 allocated solely to reduce the unfunded pension liability to which the bonds or notes relate.  
65 Proceeds of any bonds or notes pursuant to this act shall be invested in any investments which  
66 are permitted pursuant to chapter 32 of the General Laws, and shall otherwise be held and  
67 expended by the retirement system in accordance with the law.

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69 SECTION 5. Before the issue of any bonds or notes pursuant to this act, the chairman and  
70 the executive director of the Plymouth county contributory retirement system shall submit to the  
71 members of the board and secretary a plan showing the amount of the bonds and notes to be  
72 issued, the amount of the unfunded pension liability to be funded with the proceeds of the bonds  
73 and notes, the proposed maturity schedule of the bonds and notes, the proposed allocation of, if  
74 any, and plan to finance the principal of and interest on the bonds and notes, the present value  
75 savings reasonably expected to be achieved as a result of the issue of the bonds or notes, and any  
76 other information requested by the members of the board or secretary relating to the bonds and

77 notes and no bonds or notes shall be issued hereunder until a majority of the members of the  
78 board and the secretary have approved the plan and specifically approved the maturity schedule  
79 of the bonds or notes.

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

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96 SECTION 7. A governmental unit of the Plymouth county contributory retirement system  
97 shall have 60 days from the effective date of this act to affirmatively opt out of the bond  
98 issuance, but shall remain liable for any debts it owes to the retirement system. To affirmatively

99 opt out of this bond issuance the authorized agent of the governmental unit shall confirm in  
100 writing to the board that it shall not participate in the pension funding bond program and that it  
101 acknowledges that it remains liable for any and all of the governmental unit's debts.

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103 SECTION 8. Notwithstanding chapter 70 of the General Laws or any other general or  
104 special law to the contrary, the portion of the annual debt service paid by the Plymouth county  
105 contributory retirement system for bonds or notes issued pursuant to this act applicable to school  
106 department personnel who are members of the retirement system shall be included in the  
107 computation of net school spending for the purposes of said chapter 70 or any other law.

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