

SENATE NO. 1650

AN ACT AUTHORIZING THE TOWN OF WAKEFIELD TO ISSUE PENSION OBLIGATION 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. The Town of Wakefield may issue bonds or notes from time to time for the purpose of
2 funding all or a portion of the unfunded pension liability of the retirement system of the town. Bonds
3 or notes issued under this act shall be outside the limit of indebtedness prescribed in section 10 of
4 chapter 44 of the General Laws, shall be issued for terms not in excess of 30 years from their date of
5 issue and, except as otherwise provided in this act, shall be subject to the applicable provisions of said
6 chapter 44. The proceeds of any issuance under this act shall be transferred by the town to the
7 retirement system. No bonds or notes shall be issued without a 2/3 vote of the town meeting of the
8 town of Wakefield. Upon the authorization of the issuance of pension obligation bonds by the town
9 meeting, the town shall submit the vote and a plan demonstrating how the town will finance and
10 allocate the debt service associated with the bonds or notes to the executive office for administration
11 and finance, and no bonds or notes authorized to be issued by this act shall be issued until the secretary
12 for administration and finance has approved the plan and the issuance of the bonds or notes

13 SECTION 2. The aggregate principal amount of the bonds or notes issued under authority of this act
14 shall not be greater than the amount sufficient to extinguish the unfunded pension liability of the
15 retirement system of the town of Wakefield as determined in accordance with this section. The
16 retirement board of the town shall first determine the amount sufficient to extinguish the unfunded
17 pension liability of the retirement system of the town in accordance with the report of a nationally
18 recognized independent consulting firm, which may be the consulting actuary generally retained by the
19 retirement board, and with the approval of the public employee retirement administration commission.
20 The report shall also set forth the present value savings to the town reasonably expected to be achieved
21 as a result of the issuance of such bonds or notes.

22 SECTION 3. The maturities of bonds or notes issued under this act shall be scheduled such that the
23 annual combined payments of principal and interest for each issue shall be as nearly equal as
24 practicable in the opinion of the selectmen, or in accordance with a schedule providing for a more
25 rapid amortization of principal, or in any other manner consistent with the town's approved funding
26 schedule, as the secretary for administration and finance shall approve.

27 SECTION 4. Every governmental unit the employees of which are members of the retirement system
28 of the town of Wakefield shall be responsible in accordance with this section for paying such
29 proportion of the annual debt service expense paid by the town for bonds issued under authority of this
30 act as is equal to the proportion of the total unfunded pension liability of the retirement system
31 allocated to such member under section 2. Notwithstanding any general or special law to the contrary,
32 the public employee retirement administration commission shall increase the annual amount to be
33 certified under section 22 of chapter 32 of the General Laws as the amount necessary to be paid by
34 each governmental unit in the retirement system other than the expense as determined in this act, and

35 shall decrease the amount to be paid by the town by an equal amount. The town shall have the same
36 legal rights and authority as the retirement board of the town to collect any amount so assessed by the
37 retirement board to any such governmental unit.

38 SECTION 5. Notwithstanding chapter 70 of the General Laws or any other general or special law to
39 the contrary, the portion of the annual debt service paid by the town of Wakefield for bonds or notes
40 issued under this act applicable to school department personnel who are members of the town's
41 retirement system shall be included in the computation of net school spending for the purposes of said
42 chapter 70 or any other law.

43 SECTION 6. This act shall take effect upon its passage.