

FAXED 1/13/03 (2)
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SUMMARY OF PROPOSED CHANGES:

1. Increase the Retirement Board membership from five (5) to seven (7) members:

Unlike a typical municipal retirement system, Middlesex Retirement is a system that serves 68 member communities and districts from North Reading to Ashland and from Ashby to Weston. There are larger communities, such as Billerica and Burlington; and smaller communities, such as Groton and Dunstable. There are regional school districts, water districts, and housing authorities. The proposed MGL Ch. 34B, S. 19A (b) would provide for a seven (7) member retirement board that is better equipped to serve the needs of such a wide and diverse membership.

2. Restore the balance between community representation and employee representation on the retirement board:

Every municipal retirement board is comprised of an equal number of community representatives and employee representatives. This ensures that the decisions of a municipal retirement board will adequately represent both the community and the employees. Unfortunately, in the regional retirement board setup that was devised in the aftermath of the abolishment of certain counties, this balance was not taken into account. On a regional retirement board, all of the member communities and districts together only have one representative chosen through the advisory council; while the employees have two representatives that are elected by employees. The proposed MGL Ch. 34B, S. 19A (b) (1) – (4) would provide that on a seven member retirement board there would be 3 representatives of the communities and districts chosen through the advisory council, and there would be 3 representatives of employees that are elected by the employees, and a seventh member who is independent.

3. Establish a professional management team that is accountable to the retirement board:

Under the current regional retirement board organization structure, the chairman of the retirement board is also the chief executive officer of the retirement system. This organizational structure is more prevalent in a private sector model of corporate governance than a public agency. In fact, in light of the current issues surrounding corporate governance in the private sector, this model is even being abandoned in the private sector. In the public sector, the most successful model of governance tends to be a structure that provides for a professional management team that reports to a governing board. This tends to be true in the typical Council-Manager form of governance for a city, and is true in most Towns where there is a Town Manager reporting to a Board of Selectmen or Town Council. This form of governance was even accepted by the Massachusetts legislature when it revised the organizational structure of the public employees' retirement

administration commission, where there is an appointed executive director that reports to the commission. The proposed MGL Ch. 34B, S. 19A (c) (1) – (6) would establish a professional management structure that is responsible for the day to day operations of the system; and that is accountable to the retirement board.

4. Alter the composition of the Advisory Council such that representation is more equitable amongst member communities and districts:

The Advisory Council is the vehicle by which the interests of member communities and districts are represented in the regional retirement system. The current representative from each member community and district is the treasurer of the community or district, which provides for one (1) representative from each member community and district. However, it must be noted that under this current setup, the member municipalities comprise 45.5% of the membership of the Advisory Council; while the assets attributable to the member municipalities comprise 83.7% of the total assets in the retirement fund. The proposed MGL Ch. 34B, S. 19A (g) would correct this inequity in representation by permitting member communities and districts that have in excess of 100 participants in the system to have one additional representative on the advisory council.

5. Establish a procedure for authorizing the annual operating budget of the retirement system that provides for an independent review of the retirement system's operating budget by the Advisory Council:

It is a fundamental precept of American government that there should be a separation between the legislative prerogative to authorize spending of public money and the executive authority to actually expend funds. This separation of duties ensures that public monies will be spent only in the best interests of the public agency and its constituents. In 1996, the retirement law was changed in order to alter the source of funding for a retirement system's operating budget from being a direct appropriation to the member communities and districts to being an appropriation from the retirement system's investment income. However, in spite of the language in MGL Ch. 32, S. 20 (5) (f) and in MGL Ch. 34B, S. 19 (g) that is still in effect to this day, the change in the source of funding contemplated by the legislature in 1996 is being interpreted such that a regional retirement board has become its own budgetary approval and expending authority for funds of a retirement system. This organizational setup is dangerous and leaves the funds of the retirement system vulnerable to the possibility of misuse. The proposed MGL Ch. 34B, S. 19A (h) establishes an annual operating budget process for the Middlesex Retirement System and provides that the Advisory Council, which represents the member communities and districts ultimately responsible for funding the retirement system, will have budgetary oversight authority.

6. Establish a financial oversight committee of the advisory council:

A financial oversight committee will enable the advisory council to receive verified information before it is asked to make decisions with respect to the retirement board's operating budget. Also, a financial oversight committee will be able to provide independent advice and make recommendations to the actuary and the retirement board with respect to actuarial assumptions and investment policymaking. The proposed MGL Ch. 34B, S. 19A (g) (1) will establish such a committee.

7. Establish that pension assets and liabilities will be determined as they are attributable to each individual member community and district, and provide that member communities and districts will have both the responsibility and the ability to fund the pension liability that is attributable to each member community and district on an individual basis:

Beginning with FY 2004, each member community and district is going to have its individual pension liability determined. However, under current law there is no mechanism for individual member communities to determine for themselves how to properly fund that liability. Under the current system, member communities and districts are forced to comply with the determinations made by the retirement board. Under the proposed MGL Ch. 34B, S. 19A (m) - (t) member communities and districts will be given the authority to decide for themselves how they will fund their respective pension liabilities. Member communities and districts will be given the ability to either issue pension obligation bonds to satisfy their pension liability or to establish their own funding schedule. Also, communities and districts would be given the ability to request voter approval to exempt payments to a funding schedule, or debt payments on pension obligation bonds, from the levy limitations imposed by proposition 2 ½. This proposal would not eliminate the pension liability attributable to each member community and district, but would allow each member community or district the flexibility to determine how it will manage the funding of its liability.

The Commonwealth of Massachusetts

In the Year Two Thousand and Three.

AN ACT RELATING TO THE MANAGEMENT OF THE MIDDLESEX REGIONAL RETIREMENT SYSTEM.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1

The terms of the members currently serving on the Middlesex Regional Retirement Board shall end six months from the date of passage of this act. The regional retirement board advisory council shall choose the first, second and third members; and shall organize an election for the fourth, fifth and sixth members, all in accordance with chapter 34B of the general laws as herein amended. The first selection of the first, second, third, fourth, fifth and sixth members shall be chosen such that their respective terms shall begin on the same day and shall end on December 31 of the year in which their term is scheduled to end. The term of the current fifth member shall also end six months from the date of passage of this act and the public employees' retirement administration commission shall then appoint a seventh member for a term of one year. Once the term of the seventh member expires, his successors shall be chosen in accordance with the provisions of chapter 34B of the general laws as herein amended.

SECTION 2

The public employees' retirement administration commission shall appoint an interim executive director immediately upon passage of this act. The interim executive director shall serve a term of one year and shall have all of the duties and responsibilities of the executive director of the Middlesex Retirement System in accordance with chapter 34B of the general laws as herein amended.

SECTION 3

Chapter 34B of the General Laws is hereby amended by adding the following section:
Section 19A. Notwithstanding the provisions of section 19 of chapter 34B of the general laws, chapter 32 of the general laws, or any other general or special law to the contrary, the retirement system of Middlesex County, an abolished county, shall continue pursuant to this section and shall be managed by the retirement board as provided in this section, but any provisions of chapter 32 of the general laws that apply to county retirement systems and are not inconsistent with the provisions of this chapter shall apply to the Middlesex Regional Retirement System.

(a) The contributory retirement system established for Middlesex County, an abolished county, operating under the terms of sections 1 to 28, inclusive, of said chapter 32 shall be known as the Middlesex Regional Retirement System, and all business shall be transacted under this name.

(b) Said system shall be managed by a retirement board, which shall have the general powers and duties set forth in subdivision (5) of section 20 of chapter 32. Said board shall consist of seven members as follows:

(1) The first, second and third members shall be members of the regional retirement board advisory council, and shall be elected by a majority of those present and voting at a public meeting of said council, properly posted, called specifically for such election pursuant to paragraph (g), for successive three-year terms, which shall be organized such that ultimately one member is elected every year for a three year term.

(2) The fourth, fifth and sixth members, hereinafter referred to as the elected members, shall be active or retired members of the regional retirement system or one whose retirement is being reimbursed by that system in accordance with the provision of paragraph (c) of subdivision (8) of section 3 of chapter 32. The elected members shall be chosen for successive three year terms, which shall be organized such that ultimately one member is elected every year for a three year term. The elected members shall be chosen in accordance with paragraphs (g) and (i).

(3) A seventh member, who shall not, except as provided in this subparagraph, be an employee, retiree or official of the retirement system, or of any of its constituent

governmental units, shall be chosen by the other six members and serve for a term of five years. If the successor to the seventh member is not chosen as provided in this subparagraph within 30 days of the expiration of his term, or of any earlier vacancy in his office, the public employee retirement administration commission shall appoint the seventh member.

(4) Upon the expiration of the term of office of any elected or appointed member, or in the event of a vacancy in either of said offices, his successor shall be elected or appointed as aforesaid for a term of three years, or for the unexpired portion thereof, as the case may be.

(c) The members of the regional retirement board shall be compensated in an amount to be determined by the board, subject to the approval of the advisory council, but not to exceed the amounts set forth in subdivision (6) of section 20 of chapter 32. The regional retirement board shall choose one of its members to serve as chairman of the retirement board for terms of one year.

(1) Executive Director. The regional retirement board shall appoint an individual qualified by education and years of experience who is not a member of the regional retirement board or the advisory council to serve as the executive director of the regional retirement system. The executive director shall supervise and manage the day to day operations of the regional retirement system. The executive director shall appoint, with the approval of the regional retirement board, two qualified individuals, one to serve as treasurer-custodian, and the other to serve as comptroller of the regional retirement system. This paragraph shall not be interpreted to mean that the Executive Director may at any time appoint himself to either the position of Treasurer-Custodian or Comptroller; and in no case may the same person serve as both Treasurer-Custodian and Comptroller.

(2) Treasurer-Custodian. The treasurer-custodian shall post bond in an amount to be determined by the regional retirement board, which shall guarantee the faithful performance of his duties. The treasurer-custodian shall be responsible for the general duties of a treasurer-custodian of a public employee retirement system as may be provided in the general laws where they are not inconsistent with this section. The

treasurer-custodian shall also receive and maintain custody of all funds belonging to the regional retirement system and shall pay out all lawfully approved retirement benefits and expenses of the retirement system in accordance with expenditure warrants duly executed by the comptroller and the retirement board. The treasurer-custodian shall, under the direction of the regional retirement board, invest the funds of the retirement system in prudent investments that are not inconsistent with any other provision of the general laws with respect to the investment of the funds of public employee retirement systems.

(3) Comptroller. The comptroller of the regional retirement system shall provide for an annual financial audit of the funds of the regional retirement system and shall produce all the official financial statements of the retirement system as may otherwise be required. The annual financial audit with management recommendations and the annual financial statements of the regional retirement system shall conform to generally accepted accounting principles and shall be timely filed by the comptroller with the clerk of each governmental member unit. The comptroller shall also be responsible to maintain the accounting of the various fund account balances of the regional retirement system and no monies may be paid by the treasurer-custodian except those itemized on a warrant to be executed by the comptroller which must also be approved by a majority of the members of the regional retirement board. The comptroller may disallow any retirement benefits or administrative expenses that are fraudulent, excessive or unlawful; and any retirement benefits or administrative expenses so disallowed shall not be paid by the treasurer-custodian.

(4) The treasurer-custodian and the comptroller must also reconcile the total of all cash and investments in the custody of the treasurer-custodian with the fund balances maintained by the comptroller on a monthly basis. All other duties and responsibilities of the regional retirement system shall be carried out by the executive director.

(5) The executive director, treasurer-custodian and comptroller of a regional retirement system shall be appointed subject to the terms of an employment contract, but such an employment contract may be cancelled and the executive director, treasurer-custodian or comptroller may be removed by the retirement board at any time upon reasonable cause. Employment contracts shall be approved by the regional retirement board and any salaries and benefits paid pursuant to such employment contracts shall be

paid out of the expense fund of the retirement system. In no case may such an employment contract exceed a term of three years. The executive director, treasurer-custodian and comptroller shall be members of the retirement system for which they serve, but shall not be eligible to be a member or candidate for election to the retirement board.

(6) Upon the vacancy of the offices of executive director, treasurer-custodian, or comptroller of the regional retirement system, an interim appointment may be made until a permanent appointment is made; and such an interim appointee shall have the same powers and be subject to the same duties as if that person were the permanent appointee, during the time of such an interim appointment. An interim appointee shall be referred to as acting executive director, acting treasurer-custodian or acting comptroller and that person's salary and benefits shall be paid out of the expense fund in accordance with the direction of the regional retirement board.

(d) The executive director may employ clerical and other assistants as may be required to transact the business of the retirement system. All permanent employees employed pursuant to this paragraph shall be members of the retirement system, but shall not be eligible to be a member or candidate for election to the retirement board.

(e) A regional retirement board shall be authorized to purchase or lease property, facilities and equipment and employ any such personnel necessary for the proper administration and transaction of the business of the retirement system. If a regional retirement system purchases real estate for its office space and the amount of space available in any such building as may exist on the real estate exceeds the current office space needs of the regional retirement system; the extra space may be leased at market rates and the rent collected shall be deposited into the investment income account and shall be treated as investment income. The regional retirement system may only purchase real estate that is suitable for its office space, and may only purchase real estate that it can reasonably expect to fully occupy at some point in the future. The executive director shall be responsible for purchasing any liability insurance to protect the retirement system and its assets from any potential claims that may result from ownership of such real estate and the premiums for any such insurance shall be paid out of the expense fund.

(f) The board of the regional retirement system and the treasurer-custodian thereof shall respectively be and act as the board and treasurer-custodian of such system with respect to the employees of any town or district who become members of such system as provided for in paragraphs (b) or (c) of subdivision (3), or paragraph (b) of subdivision (4) of section 28 of chapter 32, or who have become members thereof under corresponding provisions of earlier laws. The treasurer or other disbursing officer of any such town or district, as the case may be, shall act as a liaison officer between the employees thereof and the board of such system.

(g) There shall be a regional retirement board advisory council consisting of either one or two representatives from each governmental member unit as follows: The first representative shall be the treasurer, whether elected or appointed, of each city, town, unit or district that belongs to the regional retirement system. Any member unit that has in excess of 100 participants who are either active or retired shall choose a second representative who shall be appointed by the chief executive authority of the member unit as follows: in a city/town having a city/town manager form of government, by the city/town manager, otherwise by the Mayor or Board of Selectmen, as the case may be; in school districts, by the Superintendent; in other member units, by the board or committee that serves as the chief appointing authority for that member unit. The members of said advisory council shall elect a chairman from among the members who shall be selected for a term of one year. The chairman of the advisory council shall preside, and be responsible for ensuring orderly proceedings, during the meetings of the advisory council. Said council shall meet at the call of the retirement board but in no event less than twice in each year, which meetings shall take place on April 1 and October 1 of each year unless the retirement board chooses a different meeting date that falls within 30 days of April 1 and October 1. Said council shall also meet anytime at the call of either the chairman or the financial oversight committee or within 30 days of the submission of a petition from at least 15 members of the advisory council. Said council shall supervise and certify the procedures involved in the election of the elected members of the retirement board, as provided in paragraphs (b) and (i). The regional retirement board advisory council, at a meeting called specifically for that purpose, shall elect three

of its members as members of the regional retirement board, as provided in paragraph (b) (1).

(1) There shall be a permanent standing financial oversight committee of the advisory council. The financial oversight committee shall consist of nine members of the advisory council. The chairman and first member of the financial oversight committee shall be the chairman of the advisory council. The remaining eight members shall be chosen by the advisory council for staggered three year terms.

(2) Before any estimate of administrative expenses and costs of the regional retirement system may be presented to the advisory council for approval, the estimate must first be submitted to the financial oversight committee. The financial oversight committee shall review the estimate of administrative expenses and costs and shall make recommendations to the advisory council on approval or denial of any such estimates.

(3) Before the actuary prepares the final actuarial valuation report, the actuary shall notify the chairman of the financial oversight committee of his/her assumptions relative to investment return, rates of regular compensation and any other variable factors that will have an impact upon the calculation of pension liabilities of member units. The financial oversight committee shall review any such assumptions and may make non-binding recommendations to the retirement board and the actuary with respect to the use of such assumptions.

(4) On a quarterly basis, the treasurer-custodian shall provide investment performance reports to the chairman of the financial oversight committee. The financial oversight committee shall review and may make non-binding recommendations to the retirement board relative to investment policies and procedures.

(5) The advisory council may enact rules of procedure that will govern the term of the chairman, the conduct of the proceedings of the advisory council, the appointment of committees, and any other activities of the advisory council.

(h) The fiscal year of the regional retirement system shall run from July 1st through June 30th of each year. An estimate of administrative expenses and costs of the regional retirement system for each fiscal year shall be approved by both the regional retirement board and the regional retirement board advisory council on or before the October 15th

preceding the beginning of each fiscal year. No amounts may be charged from the investment income account and credited into the expense fund and no funds may be paid from the expense fund except in accordance with the approved estimate of administrative expenses and costs or in accordance with any supplemental estimates of administrative expenses and costs. Supplemental estimates of administrative expenses and costs for any year may only be approved by the regional retirement board and the regional retirement board advisory council in the same manner as the original estimate. At the end of each fiscal year any excess in the expense fund, once all administrative expenses relative to that fiscal year have been paid, not including any encumbrances, shall be transferred back into the investment income account. The total balance in the investment income account, after any excess from the expense fund has been turned back, shall be transferred into the pension reserve fund and shall be used to offset the accrued pension liability of each member unit proportionally according to the percentage of assets attributable to each member unit when compared to the total of assets attributable to all member units combined. If the investment income account is in deficit at the end of the fiscal year, the amount of the deficit shall be transferred into the investment income account from the pension reserve fund and the charge shall be applied to the accrued pension liability of each member unit proportionally according to the percentage of assets attributable to each member unit when compared to the total of assets attributable to all member units combined.

(i) The regional retirement board advisory council, which shall serve as the election board, shall supervise the election of the elected members of the retirement board. The council shall make available nomination papers to any member in or retired from service so requesting and shall require that such nomination papers be signed by the candidate and be returned to the office of the retirement board for safekeeping until the election board shall meet. The chairman of the council shall give a duplicate receipt for such nomination papers to each candidate. Completed nomination papers shall contain the signatures and addresses of at least five active or retired members of said retirement system. The election board shall determine whether each candidate has filed nomination papers containing the requisite signatures and addresses. If, after investigation, the election board determines that a candidate has filed nomination papers containing less

than five signatures as required, the election board shall declare said nomination papers invalid and shall notify the candidate of such determination. If, after investigation, the election board determines that only one candidate has filed the requisite number of signatures, the election board shall declare said candidate to be the elected member of the regional retirement board. If, after investigation, the election board determines that more than one candidate has obtained the requisite number of valid signatures, the election board shall notify said candidates of such determination and shall immediately prepare election ballots, and set the date for an election to be held within 40 days. The election board shall mail ballots to all members of the retirement system whether active or retired. The election board shall instruct each member to place an appropriate marking on the face of the printed ballot envelope next to the name of one candidate, insert the ballot into a ballot envelope, and the ballot envelope into the pre-stamped envelope, seal said pre-stamped envelope and mail said envelope to the election board in care of the county retirement board, within 20 days after they were mailed. Any envelope postmarked later than 20 days after such mailing shall not be used to determine the elected member. The election board shall notify each candidate of the time and location of the tabulation of the ballots and shall permit all such candidates to be present at said tabulation. At the specified time for tabulation, the election board shall assemble all envelopes and inspect said envelopes. Any envelope which has been opened prior to said date, or which has not been signed on the rear by the appropriate addressee, shall be invalidated and shall not be used to determine the elected member. The election board shall, assemble all properly signed, unopened envelopes and shall open each envelope and separate the enclosed ballot from said envelope. The election board shall assemble all ballots and shall tabulate the vote for each candidate. Any ballot which contains a marking for more than the number of vacancies shall be declared invalid. The election board shall notify each candidate in writing of the results of said election. All envelopes and ballots received by said election board, including those determined to be invalid, shall be preserved by the election board for two years. The costs incurred by the election board in administering the election shall be paid from the regional retirement system expense fund.

(j) The group insurance commission shall make available to board members and employees of a regional retirement board health, life and disability benefits, and said

board members and employees shall be eligible to participate in all benefits administered by the group insurance commission. The costs thereof, including any administrative costs incurred by the group insurance commission shall be borne by said employees and board members and the regional retirement system. Any benefits provided, prior to the abolition of county government, to employees and retirees of a regional retirement system that are not available through the group insurance commission may be provided to such employees and retirees through the regional retirement system; provided, however, that said system is fully reimbursed, in the case of retirees, for the cost of such benefits, and, in the case of employees, is reimbursed in a percentage equal to that of the percentage paid by state employees for similar benefits.

(k) Any employer shall be required to provide a board member under its employ with all necessary leave required for service to such board. A board member who is an active member of a contributory retirement system shall receive creditable service, consistent with the provisions of paragraph (a) of subdivision (1) of section 4 of chapter 32, for such periods the member is so serving.

(l) The abolished county's prior retirement board and prior retirement board advisory council shall continue to serve until such time as the members of the new retirement board and the new retirement board advisory council pursuant to this section have been duly elected, selected or appointed, as the case may be.

(m) The actuary, for purposes of determining the allocation of assessments to member units, shall determine the total assets and liabilities in the regional retirement system as they are attributable to each individual member unit. On or before December 15 of each year, the actuary shall determine the accrued pension liability that is attributable to each member unit and shall also determine the assets attributable to each member unit that offset the accrued pension liability as of the previous January 1st. Each member unit shall ultimately be responsible to deposit sufficient assets into the pension reserve fund to offset the portion of its accrued pension liability that is not fully offset by assets attributable to that member unit; and, this may be done either by the issuance of pension obligation bonds or according to a funding schedule adopted by the member unit.

(n) Any member unit may issue pension obligation bonds, the proceeds of which shall offset all or a portion of the member unit's accrued pension liability, in accordance with chapter 44 and chapter 44A of the general laws and such pension obligation bonds shall be considered a purpose for borrowing money outside the debt limit in accordance with section 8 of chapter 44 and such debt shall be payable within the following time periods: if the member unit's pension liability is more than 95% offset by assets, five years; if the member unit's liability is less than 95% offset but more than 85% offset, ten years; if the member unit's liability is less than 85% offset but more than 75% offset, twenty years; if the member unit's liability is less than 75% offset, thirty years. All proceeds received on the issuance of pension obligation bonds, including any premium received or discount charged on the sale of such bonds, shall be immediately deposited into the pension reserve fund of the regional retirement system and shall offset the pension liability attributable that member unit.

(o) The principal and interest payments on pension obligation bonds issued by any member unit may be excluded from the property tax levy limitations as set forth in sections 21C and 21D of chapter 59 of the general laws; provided that such exclusion is approved in accordance with the procedures set forth in said sections 21C and 21D of said chapter 59.

(p) Any member unit that does not issue pension obligation bonds, or issues pension obligation bonds but the proceeds of those bonds are not sufficient to fully offset that member unit's pension liability, must adopt a funding schedule within the guidelines set forth in paragraph (r) that shall be filed with the regional retirement board on or before the first day of that member unit's next fiscal year. The regional retirement board shall then adopt an annual assessment to each member unit in accordance with the funding schedules so adopted. The regional retirement board shall, within 30 days of the beginning of a member unit's fiscal year, adopt a funding schedule, within the guidelines set forth in paragraph (r), for any member unit that either does not adopt a funding schedule on or before the first day of that member unit's next fiscal year or adopts a funding schedule that does not comply with the guidelines as set forth in paragraph (r), unless the member unit subsequently adopts a funding schedule that complies with the

guidelines of paragraph (r) within 90 days of the first day of its fiscal year in which case the retirement board shall rescind its previously adopted funding schedule.

(q) Funding schedules that are adopted by member units shall be adopted as follows: in cities or in towns with a town council, by the council; in other towns, by the board of selectmen; in regional school districts, by the school committee; in other districts and authorities, by the board or committee that has executive authority over such district or authority. The funding schedule for the regional retirement system's employees shall be adopted by the regional retirement board and the costs shall be apportioned to the member units according to the proportion of the assets attributable to that member unit in the retirement system when compared to the total of all assets in the retirement system.

(r) Funding schedules shall be adopted within the following guidelines: if the member unit's accrued pension liability is more than 95% offset by assets, that member unit's accrued pension liability must be fully offset within five years; if the member unit's liability is less than 95% offset but more than 85% offset, ten years; if the member unit's liability is less than 85% offset but more than 75% offset, twenty years; if the member unit's liability is less than 75% offset, twenty-five years. All funding schedules must provide for annual payments that will fully offset the accrued pension liability, and in no case may a funding schedule provide that an accrued pension liability will extend beyond the year 2028. The regional retirement board must subsequently determine that a member unit's funding schedule complies with this and all other applicable provisions of law and good practice before the regional retirement board may accept such a funding schedule. If the regional retirement board determines that a member unit's funding schedule does not meet the requirements of the law or of good practice, the member unit may appeal the regional retirement board's determination to the public employees' retirement administration commission whose determination shall be final, or the member unit may submit a new funding schedule.

(s) The payments toward an accrued pension liability funding schedule for any member unit may be excluded from property tax levy limitations as if these payments were capital outlay expenditures as set forth in sections 21C and 21D of chapter 59 of the general

laws; provided that such exclusion is approved in accordance with the procedures set forth in said sections 21C and 21D of said chapter 59.

(t) When the actuary periodically revises the amount of each member unit's accrued pension liability, as is required by the provisions of chapter 32, each member unit must either issue new pension obligation bonds or adopt a new funding schedule by the first day of that member unit's next fiscal year in accordance with paragraphs (n), (o), (p), (q), (r) and (s).

This chapter shall take effect immediately upon passage.