

Jen,

I hope you are well. Could I be placed on the next BOS agenda? The Dukes County Retirement System is trying to provide an increased COLA for FY23 before 6/30/2023 as provided for in Chapter 269 of the Acts of 2022. It requires local approval. I have detailed the request below. The retirement board approved the request in April and the County Commissioners approved it last week. So now I need to get the next round of approvals. I will attend the meeting to present the request. If you have a minute for a brief conversation about this one-time increase to the COLA rate, I'd love to give you the details.

COLA APPROVAL:

On November 16, 2022, the Governor signed Chapter 269 of the Acts of 2022 into law. This act provides the local retirement systems with a "local option" to increase the Cost of Living Adjustment ("COLA") for Fiscal Year 2023 up to 5 percent on the base amount specified pursuant to G.L. c. 32, § 103. It is important to note that the retirees received a 3% COLA (on the current COLA base of \$14,000) on July 1, 2022. This request is for the additional 2% to be paid to any retiree that was eligible for the FY23 COLA. The approval of the increase will be retroactive to July 1, 2022 and must be approved/paid by June 30, 2023.

- The Dukes County Contributory Retirement Board voted to accept the one-time increase to the FY23 Retiree COLA on April 13, 2023.
- The Dukes County Commissioners voted to accept the one-time increase to the FY23 Retiree COLA on May 17, 2023.

The local approval mechanism is different than traditional COLA increases and COLA base increases. In order for a system to adopt a COLA increase pursuant to this act, **the retirement board must vote for the increased amount and then it must also receive local approval.**

For purposes of this act, local approval means:

- In a county, the county commissioners, who normally do not have a role in COLAs nor COLA base increases, must vote to accept **and** two-thirds of the cities and towns within the system must approve the increase by approval of the chief executive officer (likely the select board) as defined by G.L. c. 4, § 7.

Though our local system is comprised of multiple units such as commissions and districts, the two-thirds language only applies to regional and county systems as the approval specified in the statute only refers to cities and towns as voting political subdivisions.

Section 2 of the act provides that a COLA increase pursuant to this act is retroactive to July 1, 2022. Any COLA increase, in addition to any COLA previously adopted for FY 23, will become part of the fixed amount of a retirees' retirement allowance in the same manner as all COLAs granted pursuant to section 103.

I have also attached a letter from the Actuary to answer any questions of estimated costs. The costs associated with this increase will be assessed in the FY26 appropriation. The town of West Tisbury's percentage of the total FY24 appropriation is 7.54%.

Let me know if you have a minute to discuss.

Respectfully,
Kelly

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