

**MINUTES****EXECUTIVE SESSION MINUTES****SPECIAL MEETING OF THE PEABODY RETIREMENT BOARD  
MONDAY, NOVEMBER 6, 2023****MINUTES REVIEWED FOR RELEASE ON JANUARY 24, 2024****EXECUTIVE SESSION:**

Chairman Yagjian turned to floor over to Attorney Sacco for an update on the matter at hand with Pension Technology Group (PTG).

Attorney Sacco provided the Board with an overview of his communications with Chris Lodge, PTG President and CEO, Jim Freeman, Peabody Pension Administrator, as well as the contract date disagreement with PTG.

The original contract with PTG was dated January 31, 2012 and was for the duration of five years. The pricing and payment scheduled are laid out in Exhibit B of the contract by year 2012 through 2016.

In 2016, the Peabody Retirement Board and PTG engaged in a contract renewal and PTG forwarded a contract that was dated September 14, 2016, and signed by John Reidy, who was the Principal of PTG at that time. Subsequent to September 14, the Board review the suggested annual fees being offered and sent back to PTG to reconsider a lower rate. Upon receiving an annual payment schedule lower than what was delivered on September 14, 2016, the contract was signed by Michael Gingras, Ex-Officio member on October 18, 2016.

PTG bills the Board on an annual basis at the beginning of the year with a price consistent with the negotiated annual cost in the contract. Prior to 2018 the invoices state support and hosting services, but no actual dates for service. Starting in 2018 and up through January 2023, the invoices state support and hosting services (January 1st (year) through December 31<sup>st</sup> (year), leading one to believe the contract runs on an annual basis.

On October 24, 2023, Mr. Freeman placed a call to Mr. Reidy to inform PTG that Peabody was not going to renew at the end of the year, instead they would be changing computer software services to Bay State Pension Solutions (BSPS) and inform PTG they would be sending written notification of termination of the contract and providing them 60 days' notice as allowed under Section 11(A) of the contract. Formal written notice was mailed out on October 24, 2023, by first class, certified, and email.

On October 25, Mr. Lodge called Mr. Freeman to inform the Board that PTG's stand is that the contract forwarded to the Board on September 14, 2016, started a new contract effective that date, therefore, the contract for 2024 actually commenced on September 14, 2023 and that Peabody owed an additional year of service. For the record, PTG forwarded an invoice in the amount of \$44,380.50 and the dates of service now read September 14, 2023, through September 2024.

Attorney Sacco informed the Board that PTG, believing they are correct in their interpretation of the date of the contract, like any business, would naturally seek compensation for services provided or contracted for and the alternate party, Peabody Retirement Board believing they are correct would be declined to pay for services not being used. Attorney Sacco was unable to gauge the cost of representing Peabody in such a matter, but likely less than the cost of the year of service PTG is billing for, adding that in such matters, the length of time and cost of the discovery process could get costly and recommendation would be to work toward a solution to avoid litigation.

Attorney Sacco informed the Board that he felt PTG was willing to negotiate some as they understand that going back to the contract renewal in 2016 the Board had prepaid for a full year of service and it would appear that some credit would be owed for that period of time between September 14 and December 31, 2016. Having not been granted with a negotiating perspective from the Board at that time he did not attempt to negotiate a settlement with PTG.

Attorney Sacco provided the Board with several options (1) we maintain the contract with PTG through September 13, 2024, at a reduced price that would include the lost service time from September 14, 2016 through December 31, 2016, and PTG would allow a rescinding on the termination letter from October 24, 2023; (2) try to negotiate a shorter term contract with PTG,

perhaps through March 2024 and allowing for a reduced pricing and rescinding of the termination letter, or (3) not pay the fee and prepare for a likely litigation for a breach of contract suit from PTG. If opting for recommendation 1 or 2, it would also include the benefit of running simultaneous systems longer to ensure BPS is working to the Board's expectations and allow the staff to become more familiar with the new operating system.

After a recap and discussion amongst the Board, **ON MOTION BY MR. LOMASNEY, 2ND BY MR. HOGAN, IT WAS VOTED UNANIMOUS TO ALLOW ATTORNEY SACCO TO ENGAGE IN NEGOTIATIONS WITH PTG SEEKING A SHORT-TERM EXTENSION, PREFERABLY THROUGH MARCH 31, 2024 AND INCLUDE A RESCINDING OF THE TERMINATION LETTER AND A COST CONSISTENT WITH SIX MONTHS OF SERVICE AND IF UNACCEPTABLE TO PTG THEN NEGOTIATE FOR THE FULL YEAR OF SERVICE BUT AT A REDUCED PRICE TO THE LOST TIME FROM SEPTEMBER 14 THROUGH DECEMBER 31, 2016. ON ROLL CALL: MR. GINGRAS-YES, MR. HOGAN-YES, MR. LOMASNEY-YES, MS. TREFRY-YES, MR. YAGJIAN-YES.**

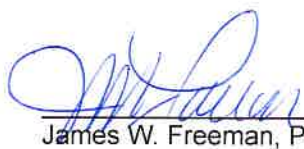
Following the vote on the course of action for attorney Sacco to take, it was then voted to vacate executive session.

**ON MOTION BY MR. GINGRAS, 2ND BY MR. HOGAN, IT WAS VOTED UNANIMOUS TO VACATE EXECUTIVE SESSION AND RESUME THE SPECIAL MEETING AT 7:28 A.M. ON ROLL CALL: MR. GINGRAS-YES, MR. HOGAN-YES, MR. LOMASNEY-YES, MS. TREFRY-YES, MR. YAGJIAN-YES.**

ATTESTED TO BY:

Respectfully submitted:

  
Richard A. Yagjian, Chair

  
James W. Freeman, Pension Administrator

  
Edward J. Lomasney, III, Appointed Member

  
Michael Gingras, Ex-Officio Member

  
Henry Hogan First Elected Member

  
Andrea Trefry, Second Elected Member