

Minutes
HULL CONTRIBUTORY RETIREMENT BOARD MEETING
 October 26, 2005

The regular meeting of the Hull Contributory Retirement Board, duly posted to be held in the Selectmen's Meeting Room, Town Hall, Hull, MA on the above date was called to order at 9:00 a.m. Present were Leonard Colten, Chairperson, Members Marcia Bohinc, Donald Brooker, James Yacobucci, Arthur Flavin, and Retirement Administrator, Jennifer Miller.

9:00 a.m. - James Lamenzo – PERAC – Discussion on Funding Ratio - James felt that the Board's decision to go into PRIM and that changing the actuarial valuation rate were tremendous strides to bring up the funding ratio. Recommendation was that the Board maintains budgeted appropriation amounts going forward and use any gains to strengthen the schedule as well as to shorten the schedule and/or reduce it 3.25%. Further suggestions were to perform valuations at least every 2 years with possible interim valuation in the off year and to use each actuarial valuation as a planning tool for the future.

Michael Reardon – PRIM – 3rd Quarter Review – The Board reviewed the Pension Reserves Investment Trust Fund report as of September 30, 2005. Current PRIT Fund asset allocation is \$38.8 Billion.

1. Read and attest to the minutes from the September 20, 2005 regular Board Meeting.

Motion made by Donald Brooker seconded by Arthur Flavin to attest to the minutes of the regular Board meeting without change.

Unanimously voted:

New Employees (The Board signed the New Employee's certificates)

- Annemarie H. Herbst – Conservation Administrator, Group 1 – Certificate #235
- Rebecca R. MacDonald – School Attendance Officer, Group 1 – Certificate #236
- Patrick W. Griffin – Police Maintenance, Group 1 – Certificate #237

Retirements

- Judith Lungo

Retirement Date: 10/01/2005	
Annuity	318.79
Pension	<u>687.45</u>
<i>Total Monthly Allowance</i>	<i>\$1,006.24</i>
Annual Annuity	3,825.48
Annual Pension	<u>8,249.40</u>
<i>Total Annual Allowance</i>	<i>\$12,074.88</i>
Option	A
Service	15.9167
Age Factor	2.3
Percentage of Max	80.00%
Percentage of Pay	36.6%*

- First Check – October 31, 2005

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Motion made by James Yacobucci seconded by Arthur Flavin to accept and approve the retirement of Judith Lungo.

Unanimously voted:

Payments

- Sign all bill warrants for October 2005

Motion made by Marcia Bohinc seconded by Arthur Flavin to remove the payment of \$844.22 to the Interconnect due to the fact that the Retirement Board did not have any say in the moving of its office and telephone line.

Unanimously voted:

- Judith Lungo – Refund in the amount of \$20.34, due to deduction taken in error from sick leave conversion.
- Sign the contributory payroll for October 2005

The Board signed all bill warrants, inclusive of the Judith Lungo refund, and the contributory payroll for the month of October.

2. PERAC Audit Finding and Recommendation – Re-calculate retiree Donald Brooker's retirement allowance to be effective 12/01/2003. (Follow up Audit conducted on 10/18/2005 determined that Board was still in violation. Re-calculation is required removing salary paid in lieu of sick leave conversion (3 year total \$4,704.82). These payments are not regular compensation as defined in M.G.L. c. 32, § 1 and 840 CMR 15.03.

Based on the Audit Findings, the Retirement Board so voted: To accept the Audit Findings and review the high three-year average salary calculation of Donald Brooker and immediately re-calculate and reduce the retirement allowance being paid effective with the October 31, 2005 payroll.

Unanimously voted:

Donald Brooker recused himself as a Board member in this matter and represented himself as a retiree. Mr. Brooker requested a waiver on the amount of refund due to the retirement system as a result of the re-calculation of his retirement allowance effective 12/01/2003, in the amount of \$2,390.84 under M.G.L. c. 32, § 20(5)(c)(3).

After discussion and a review of M.G.L. c 32, § 20(5)(c)(3) the board was in agreement that (1) the error in questions persisted for a period in excess of one year and (2) that the error was not the result of erroneous information provide by Mr. Brooker. The Board however did

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not agree that (3) Mr. Brooker did not have knowledge of the error, nor did he have reason to believe that the benefit amount was in error.

Motion made by Leonard Colten seconded by Arthur Flavin to not grant Mr. Brooker a waiver under M.G.L. c. 32, § 20(5)(c)(3) in the amount of \$2,390.84.

Voted: Leonard Colten and Arthur Flavin affirmative
Marcia Bohinc and James Yacobucci negative

At Mr. Brooker's request it is being duly noted that the Audit Finding relating to the eighteen (18) paid holidays in the last year while the previous two years payment included eleven (11) holidays with the additional payments also affecting education incentive paid had been previously adjusted in December 2004.

Updates

3. Article 17 –Status request – Public Hearing was held on October 20, 2005. (Donald Brooker attended on the Boards behalf)

Mr. Brooker felt that the Hearing went well and that the legislators seemed favorable on the Article.

4. Hull Housing Authority – Demand Filed by Michael Sacco on 10/07/2005 – Michael Sacco received response from Mr. Daley via email on 10/19/05. Board response to Michael Sacco was the Board will not pay for an actuary study and that it stands by the statutory appropriation calculation already provided to Mr. Daley.

The Board expressed its dissatisfaction with the Housing Authority for their lack of response to the demand filed by Attorney Sacco for payment of FY 03 appropriation and felt that they need to take stronger action to receive payment.

Motion made by Arthur Flavin seconded by Marcia Bohinc to request Michael Sacco to file a demand with the Department of Housing and Community Development cc: Hull Housing Authority for the FY 03 Appropriation of \$16,577.00 with interest of 8.00% through 01/01/2004 and 7.75% thereafter plus legal fees. Upon receipt of the demand the Retirement Board will contact Senator Hedlund and Representative Bradley.

Unanimously voted:

5. Randolph Boothby – Letter from Attorney Hynes dated 10/14/2005.
 Status as of 10/20/2005 – Attorney Hynes contacted PERAC directly and spoke with Kate Hogan. Attorney Hynes expressed that Mr. Boothby would not attend a joint medical panel

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and that Mr. Boothby wanted three separate panels. Kate Hogan accepted Mr. Hynes' verbal testimony as Mr. Boothby's Medical Panel Selection. Mr. Boothby's rescheduled exams will be conducted on 11/01/05, 11/04/05 and 11/18/05. Further, Attorney Hynes requested that the Panels examine Mr. Boothby for both accidental and ordinary disability simultaneously. This request was denied due to the fact that the Board has not received an application for accidental disability from Mr. Boothby. In the event that Mr. Boothby files an accidental application prior to Mr. Boothby's first examination, upon the Board's approval and a telephone call to Kate Hogan, PERAC will instruct the panels to examine Mr. Boothby for both accidental and ordinary disability. In the mean time the ordinary disability is moving forward.

Discussion

Posting of appointed member's position whose term expires on January 7, 2006. Posting of the 5th member's position will be done in The Hull Times and on Local cable. Further posting will be on the Town's and PERAC's web page.

- Old business
- New Business

After a vote to remove payment to Interconnect for moving of telephone lines the Board discussed the possibility of buying an office building to house of the Retirement Office with extra space for renting to generate income. No action to be taken at this time.

Review

6. Year-to-date trial balance and cash accounts reconciliation
 The Board reviewed the above documents with minimal discussion.

7. **Informational Mail**

- PRIM Flash Report for the period 11/30/2000 thru 06/30/2005
- MACRS Legislative update – Minimum Pension and Option B Bills Advance on Beacon Hill
- PERAC Memo #28/2005 – Appropriation Data Due October 31, 2005
- PERAC Memo #29/2005 – Impact of COLA Base Increase
- PERAC Memo #30/2005 – PERAC's Retirement Guide

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- PERAC Memo #31/2005 – Interim Investigative Report – The Middlesex Retirement System and Cambridge Financial Management (Cover Letter Only)
- PERAC Memo #32/2005 – Investment Manager List
- PERAC Memo #33/ Tobacco Company List
- PERAC Financial Bulletin
- Retired State, County and Municipal Employees Association of Mass newsletter
- Babson Staff Letter, September 23, 2005 & October 14, 2005
- The Segal Company – 2006 Segal Health Plan Cost Trend Survey

Meeting adjourned: 11:10 a.m.

Leonard Colten, Chairman

Donald Brooker, Vice Chairman

Marcia D. Bohinc

Arthur Flavin

James A. Yacobucci