

HULL CONTRIBUTORY RETIREMENT BOARD MEETING

August 15, 2006

10:00 a.m. (Selectmen's Meeting Room)

The regular meeting of the Hull Contributory Retirement Board, duly posted to be held in the Housing Authority Meeting Room, 6 Atlantic Court House, Hull, MA on the above date was called to order at 10:00 a.m. Present were Leonard Colten, Chairperson, Members Maurice Murphy, Marcia Bohinc, Arthur Flavin, Gerald Ball, and Retirement Administrator Jennifer Miller.

To Be Voted:

Read and attest to the minutes from the June 28, 2006 regular Board Meeting as well as the Executive Session Minutes of June 28, 2006.

Motion made by Leonard Colten seconded by Arthur Flavin to accept the regular minutes of the meeting held on June 28, 2006.

Unanimously voted:

Motion Made by Marcia Bohinc seconded by Arthur Flavin to accept the executive session minutes of the June 28, 2006 without authorization for release until all matters in this issue have been resolved.

The board attested to the cancellation of the meeting scheduled for July 26, 2006 due to scheduling conflicts.

New Employees (sign certificates)

R. Marc Fournier – Director of DPW, Group 1 – Certificate #256

Deni M. Goldman – Police Dept., Animal Control Officer, Group 1 – Certificate #257

Motion made by Arthur Flavin seconded by Marcia Bohinc to accept the new employee as named above.

Unanimously voted:

Notice of Injury:

Anthony M. Simmons – Fire Department, Group 4 – 06/28/06

James R. Lynch – Fire Department, Group 1 – 07/16/2006

Motion made by Arthur Flavin seconded by Marcia Bohinc to accept the notice of injury reports.

Unanimously voted:

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Retirements

- John MacLeod

Retirement Date: 06/01/2006	
Annuity	909.89
Pension	<u>4,563.30</u>
<i>Total Monthly Allowance</i>	<i>\$5,473.19</i>
Annual Annuity	10,918.68
Annual Pension	<u>54,759.60</u>
<i>Total Annual Allowance</i>	<i>\$65,678.28</i>
Option	B
Service	26.333
Age Factor	2.5
Percentage of Max	80.00%
Percentage of Pay	65.00%*

- First Check – June 29, 2006

Motion made by Leonard Colten seconded by Arthur Flavin to accept the retirement allowance calculation on John MacLeod.

Unanimously voted:

Received approval from PERAC on the Re-calculated retirement allowances of the following:
(Re-calculations due to retro-active pay increase from contract settlements)

Donald Nickerson - Fire Department — Superannuation Option A – Annual \$42,269.40 –
Monthly \$3,522.45 - Effective August 12, 2005.

David Saunders – Police Department – Superannuation Option C – Annual \$39,323.16 –
Monthly \$3,276.93 – Effective December 5, 2005

William Eaton – Highway Department – Superannuation Option A – Annual \$35,919.12 –
Monthly \$2,993.26 – Effective March 1, 2006

Joseph Lucas – Police Department – Superannuation Option B – Annual \$63,703.32 – Monthly
\$5,308.61

Motion made by Leonard Colten seconded by Marcia Bohinc to accept the recalculations of the
above named retirees.

Unanimously voted:

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Payments

- Sign all bill warrants for August 2006
- Sign the contributory payroll for August 2006

The Board signed all the bill warrants for August as well as the contributory payroll for the months of July and August.

Dianne C. Piscatelli – Hull School Department – Request Waiver under Chapter 32, § 20, 5(c)(3) in the amount of \$1,040.00.

- Ms. Piscatelli was erroneously excluded from the Retirement System from her date of hire November 9, 1998 through January 15, 2004.
- Ms. Piscatelli requested to purchase service credit using a direct rollover from ING.
- Total cost for service credit was \$7,991.22
- ING rollover was Ms. Piscatelli's total account of \$6,970.99 amount of \$1,020.23 is difference between ING rollover and service credit purchases.
- Interest of \$19.77 was applied through December 31, 2006 payment completion date

The following documents were obtained in a review of Ms. Piscatelli's folder:

- November 1, 2004 letter sent to Ms. Piscatelli advising her of the erroneous exclusion from membership, as well as her right to purchase the service credit from a direct rollover from ING. This letter also stated that she would be responsible for any shortfall, which could occur from a direct rollover from ING.
- Follow up email of November 30, 2004 to a telephone conversation between Marcia Bohinc and Ms. Piscatelli confirming make up option and right to ING transfer.

M.G.L. c 32, § 20(5)(c)(3) - (1) the error in question persisted for a period in excess of one year and (2) that the error was not the result of erroneous information provide by the individual and (3) the individual did not have knowledge of the error, nor did they have reason to believe that the benefit amount being paid was in error.

The Board reviewed all of the above documents and based on this information, the Board determined that Ms. Piscatelli did have knowledge of the error in 2004. Had she decided to rollover her funds at that time, she would not have had a shortfall. Therefore, Ms. Piscatelli is not qualified for a waiver under M.G.L. c 32, § 20(5)(c)(3). The Board also discussed should Ms. Piscatelli refuse to pay in full, would partial credit be granted for the amount of money received from ING Rollover.

Motion made by Arthur Flavin seconded by Marcia Bohinc to deny Ms. Piscatelli's request for a waiver under M.G.L. c. 32, §20(5)(c)(3).

Unanimously voted:

Motion made by Arthur Flavin seconded by Marcia Bohinc to grant partial service credit for the amount of payment received from ING, \$6,970.99.

Unanimously voted:

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Discussions

Marcia Bohinc request increase in stipend as promulgated by Town of Hull acceptance of Chapter 32, § 20 4 (d1/2) on 10/16/1979 from \$125.00 monthly to \$250.00 monthly or \$3,000.00 annually.

Marcia stated her request for the increase was due to the fact that she puts in a lot of hours during the week working on retirement matters, not only as a board member, but also as the Town Accountant. She also felt that as the Town Accountant she is obligated to be on the Board, and did not voluntarily apply for the position. Further, she should be compensated accordingly for her time and efforts she spends working on retirement matters.

Gerald Ball had personal reasons for not agreeing with an increase. He also felt that this board, has been very conservative with costs, especially when it comes to requests before the board.

Maurice Murphy felt that if this position should be compensated, then it was only fair that all of the retirement board members be compensated.

Motion made by Arthur Flavin seconded by Leonard Colten to approve the increase in the stipend paid to the Ex-Officio member by \$1,500.00 annually or \$250.00 monthly and \$3,000.00 annually.

Voted: Arthur Flavin and Leonard Colten yes
Maurice Murphy and Gerald Ball no.
Marcia Bohinc recused

Motion defeated.

10:40 a.m. Arthur Flavin excused himself from the meeting. The Board thanked him for his time and service on the Board and wished him the best on his new job.

Recouping Costs For Federal Grant Reimbursement – Currently there are 9 (non-verified retirement members) school paraprofessional being paid from Federal Grants. The Hull Retirement System has not received reimbursement for these employees.

The Board was informed that the school was paying the Teachers' Retirement grant money, however we were not receiving any funds for our members. Maria Hortaridis was preparing a list of all the employees being paid from grants for review by the retirement administrator. Jennifer Miller will send a letter to Maria Hortaridis if no response is received, a letter will be sent to Paula Delaney, Superintendent.

Letter to Kate Luna, Hull Housing Authority re: Hull Retirement Board v. Hull Housing Authority. The Board was advised that the Housing Authority has continued paying the agreed upon payment of \$1,500.00 monthly towards payoff of the FY03 appropriation.

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PERAC Memo #34/2006 re: Implementation of Local Option Accidental Death Benefit Increase Chapter 55 and Section 3 of chapter 64 of the Acts of 2006 (Board Vote Required)

- The Hull Retirement System does not have any eligible spouses under this Chapter at this time.
- Spouses receiving benefits under C. 32. §9 do not receive dependent allowance increases under c. 32, § 22D.

The Board discussed the fact that section 9 benefits allowance are calculated at the time of death and include the current dependent allowance. However in c. 32, §7(2)(a)(iii) (Cost of Living Increases for Supplemental Dependence Allowance) does not include Section 9 dependents, therefore eliminating any cost of living increases for these dependents. The Board felt that the dependency allowance paid to the surviving spouse for the accidental death benefit should equal to the dependent allowance paid to the living accidental disability retiree. The Board was advised that there are currently no retirees receiving accidental disability benefits with a dependency allowance. The actual cost of this benefit is not possible to determine, but considered minimal based on increases that have been granted to dependents on July 1st over the past years.

Motion made by Marcia Bohinc seconded by Maurice Murphy to accept Chapter 55 and Section 3 of chapter 64 of the Acts of 2006 and to forward it to the Chief Executive Officer, The Board of Selectmen, for its vote as required by law.

Unanimously voted:

Tyler Technologies – PERA Series Update

The Board discussed the recent inquiry by Tyler Technologies and felt that although Tyler was going to stagger the cost of the upgrade, the final cost was still going to be \$20,000.00 regardless of how the fees were spread out. Marcia had had a discussion with another vendor and was in the process of putting together a meeting for herself and Jennifer, Retirement Administrator, for a demonstration and a cost analysis. The board asked if there were possibilities of omitting some of the upgrade to decrease cost of Tyler's fees. The fee was based on current modules without extras.

- Old business
- New Business

Pre-employment physicals – The Board discussed the fact that currently the Town is not paying for pre-employment physicals and therefore many of the new employees have not had one. Knowing that this is a requirement for applying for accidental disability the Board felt that the Town should be made aware of the implications to both the Town and the employee should they not be required to provide a pre-employment physical. It was further noted that it is a Town By Law that a pre-employment physical be conducted.

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The Board requested that Jennifer Miller send a letter to the Town Manager and the Board of Selectmen advising them of the oversight and reminding them of the By Laws as well as the requirement under C. 32, § 7 (Accidental Disability Retirements).

Review

Review email response from Michael Sacco regarding Edward Burke. The Board was informed that a letter had been sent to the state stating that Hull would not accept service credit liability and that therefore it was up to the State to decide whether it would accept the credit. Mr. Burke had also retired effective July 31, 2006 from the State and therefore this was no longer an issue for Hull.

Review Email Updates Michael Sacco – Motor Vehicle – Records Retention/Taping Board Meetings –PERAC Reform Legislation – Veterans Benefits.

PERAC Memo #36/2006 – Recent CRAB Decision Regarding Workers’ Compensation Lump Sum Settlements, Flynn v. PERAC, CR-04-7222.

A. Michael Sacco’s Email Response to PERAC Memo #36/2006

Approval of Supplemental Regulation for Benefits Pursuant to G.L. c. 32, §4(1)(h) the so-call “Military Buyback”. Jennifer Miller will review for accuracy.

The Board inquired as to whether the Board of Selectmen’s had appointed a replacement for Arthur Flavin. Jennifer Miller will send a letter advising them of the vacancy and inform them that this is their appointee to replace.

The Board inquired as to the 01/01/2006 actuarial valuation. Jennifer will follow up with Larry Stone and invite him to the next meeting.

Year-to-date trial balance and cash accounts reconciliation.

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Informational Mail

- Received Notice of Receipt of Appeal on Randolph Boothby
- Received Notice of re-exam on Marianne Sullivan
- Received Notice of PERAC authorized an Investigatory Hearing pursuant to G.L. c. 32, §23(4) regarding the Middlesex Retirement System.
- PERAC Memo #30/2006 – Reinstatement to Service under G.L. c. 32, §105
- PERAC Memo #31/2006 – Actuarial Valuations on the PERAC Website
- PERAC Memo #32/2006 – Investment Manager List
- PERAC Memo #33/2006 – Tobacco Company List
- PERAC Memo #35/2006 – Cost of Living Increase for Supplemental Dependent Allowance Paid to Accidental Disability Retirees
- PERAC Financial Bulletin
- MACRS Report of Blue Ribbon Panel
- MACRS Board Reform Legislation, H4939
- Segal Bulletin
- Lerach Coughlin Stoia Geller Rudman & Robbins LLP Calendar of Events

Meeting adjourned: 11:10 a.m.

Leonard Colten, Chairman

Marcia D. Bohinc

Gerald Ball

Ronald Davy