

HULL CONTRIBUTORY RETIREMENT BOARD MEETING

September 27, 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 Selectmen's Meeting Room, Town Hall, 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, Gerald Ball, and Ronald Davy by telephone conference. Also present was Charlie Ryder, Finance Committee Advisor.

To Be Voted:

Read and attest to the minutes from the August 16, 2006 regular Board Meeting.

Motion made by Marcia Bohinc seconded by Maurice Murphy to accept the minutes of the meeting held on August 16, 2006 with corrections.

Unanimously voted by those who were present at this meeting:

Larry Stone, Stone Consulting, Inc. – January 1, 2006 Actuary – Larry distributed to the board copies of the valuation for his presentation. The current funding schedule is based on the 01/01/2004 valuation. The new scheduled will be based on 01/01/2006 valuation results for Fiscal 2008 funding schedule. The Board had excellent investment results but is still poorly funded. The Board's actuarial asset gain for calendar year 2004 and 2005 was over \$2.6 million. The Board's choices for possible interest rate for 1/1/2006 are 7.75% and 7.50% with a salary assumption of 4.75%. Current contributions for fiscal 2008 are \$2,749.633. Further choices are the assumption, length of schedule and amortization increase. Maximum length of schedule is 21 years. Larry then gave a demonstration using Fiscal 2008 contributions and the current interest rate of 7.75%, the current 21-year funding schedule, and the current 3.25% amortization rate. He then demonstrated the difference in varying the funding schedule as well as the amortization rate and then using the same figures using a 7.50% interest. He explained to the board that they could make changes as demonstrated, however suggested to the board that they should not make any drastic changes at this point in time due to the boards current low funding. His suggestion was to use the 19-year funding schedule with a 2.75% amortization, allowing smaller increases over the years to the Town and leaves room in at the end of the scheduled for any needed adjustments and it lowers the increase over the years.

The Board then discussed it options of changing to the 7.50% interest and the 21-year funding schedule however felt that it would be to conservative to lower the interest rates and that they would have further discussions on this matter.

Larry explained the additional assumptions, the asset valuation, and asset smoothing would be more important closer to full funding. This would allow for more volatility and funding ratio. In final his observations were that the system is not well funded, there was an increase in the unfunded liability that was slightly higher than Larry expected due to an increase in active employees.

Larry turned the board back to page 6 for discussions and questions prior to the Board making its decision on its funding schedule.

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Marcia agreed with Larry on the 19 year schedule with the 2.75% interest because of the fact that the Town always pays in July, the Town gets the adjusted rate. If Town had to make the mid year payment, then the increase from the FY 07 payment would not be to large. She also suggested that the Board not make a decision at this time, but wait for a meeting with the Town Treasure/Collector and a full board prior to making its decision.

The Board took Mr. Ryder's concerns under advisement and assured him that they would do the best they could to keep the Town's situation in mind when making their decision.

The Board agreed and tabled this decision until next meeting when they had a full Board and invited Mr. Ryder to attend.

New Employees (sign certificates)

- David Twombly – School Director of Operations, Group 1 – Certificate #258
- Alison M. Fiore – School Paraprofessional, Group 1 – Certificate #259
- Vicki S. Xypteras – School Paraprofessional, Group 1 – Certificate #260
- Bartley Kelly – Town Building Inspector, Group 1 – Certificate #261
- Brian E. Snow – Town Firefighter/Paramedic, Group 4 – Certificate #262
- Fabian L. Bogle – Town Police Dispatcher, Group 1 – Certificate #263
- Cheryl Fasano – School Paraprofessional, Group 1 – Certificate #264

Motion made by Marcia Bohinc seconded by Gerald Ball to accept the new employees as named above.

Unanimously voted:

Notice of Injuries

- James Lynch – Fire Dept., Group 4 – September 2, 2006
- Robert Rozzi – Fire Dept., Group 4 – August 8, 2000 – Continuance Second Report
- Brian Snow – Fire Dept., Group 4 – September 9, 2006

Motion made by Marcia Bohinc seconded by Gerald Ball to accept the notice of injury reports as read.

Unanimously voted:

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Retirements

- Ann Bradford

Retirement Date: 07/31/2006	
Annuity	387.59
Pension	<u>655.36</u>
<i>Total Monthly Allowance</i>	<i>\$1,042.95</i>
Annual Annuity	4,651.08
Annual Pension	<u>7,864.32</u>
<i>Total Annual Allowance</i>	<i>\$12,515.40</i>
Option	A
Service	20.1667
Age Factor	1.4
Percentage of Max	80.00%
Percentage of Pay	28.3%*

- First Check – August 31, 2006

Motion made by Maurice Murphy seconded by Gerald Ball to accept the retirement allowance calculation on Ann Bradford.

Unanimously voted:

- John Manchester IV

Retirement Date: 07/09/2006	
Annuity	781.08
Pension	<u>4,265.69</u>
<i>Total Monthly Allowance</i>	<i>\$5,046.77</i>
Annual Annuity	9,372.96
Annual Pension	<u>51,188.28</u>
<i>Total Annual Allowance</i>	<i>\$60,561.24</i>
Option	A
Service	32.333
Age Factor	2.5
Percentage of Max	80.00%
Percentage of Pay	80.4%*

- Amount exceeds 80% maximum due to \$300.00 veterans allowance
- First Check – July 31, 2006

Motion made by Maurice Murphy seconded by Gerald Ball to accept the retirement allowance calculation on John Manchester IV.

Unanimously voted:

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Payments

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

The Board signed the bill warrants and the contributory payroll for the month of September.

Refund of Members Funds:

- Ann Bradford – Refund in the amount of \$146.90 due to deductions taken in error from vacation time taken after date of retirement.
- Elizabeth M. Hanrahan – Former Animal Control Officer for the Police Department – Refund in the amount of \$12,402.78, total deductions, plus \$137.35, ½ interest, totaling \$12,540.13, less \$2,480.56 for 20% Federal Tax withholding.
- Vincenzo Magnoli III, Former HMO for the Highway Department – Refund in the amount of \$8,062.19, total deductions, less \$1,605.66 for 20% Federal Tax withholding. Mr. Magnoli receives no interest due to date of hire.

Motion made by Maurice Murphy seconded by Gerald Ball to refund the above named individuals as stated.

Unanimously voted:

Transfer of members funds:

- Barry Phillips, Former Fire Fighter, transfer to Lawrence Retirement System as follows: \$64.61, deductions from retroactive pay increase effective 07/01/2005. Service credit liability allowed for in original transfer effective 12/28/2005.
- William Butler, Former Fire Fighter, transfer to Weymouth Retirement System as follows: \$22,933.62, deductions, \$304.80 interest, to a total of \$21,902.04. Hull Retirement System service credit liability is four years and nine months for the periods of 08/06/2001 and 05/18/2006.
- Joseph Thurston, Former Police Officer, transfer to Natick Retirement System as follows: \$41,487.00, deductions, \$1,381.40, interest, to a total of \$40,575.73. Hull Retirement System service credit liability is eight years and three months for the period of 01/29/1998 to 04/26/2006.

Travel Approval

- MACRS Fall Conference, Danvers, MA, October 22 thru 25, 2006

Motion made by Maurice Murphy seconded by Gerald to allow any one who wishes to attend the MACRS Fall Conference to attend.

Unanimously voted:

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Discussions

Notice Refund Owed to Retirement Board on Kenneth Reed in the amount of \$11,037.73 for excess earning for calendar year 2005. The letter to Mr. Reed will be reissued with the proper salutation.

The Board reviewed Section 91A for Mr. Davy. As of this date no request for a hearing had been made.

Pension Technology Group bid for retirement software \$12,000.00 – demo expected on October 4, 2006 at the Plymouth Retirement Board.

Marcia and Jennifer will attend the demonstration.

Received Certificate of Service and Motion to Vacate the Judgment entered by the Court on September 1, 2006 in the matter of the Hull Retirement Board v. Hull Housing Authority dated 09/06/2006 from Michael Sacco. The Board was advised that this was due to the Housing Authority maintaining its agreement and continuing to pay its monthly installment of \$1,500.00.

- Old business
- New Business

Review

Email Correspondence on the matter of David Leary between James Lampke, Marcia Bohinc and Michael Sacco dated 09/18/2006. The Board needs to take no action on this matter until the hearing with CRAB.

Email update from Michael Sacco on Motor Vehicle, Dispatchers, Sec 91A, TACs/Tyler and Supplemental Regulations.

- Attachment – Decision Prescott Connors and John Tobin v. Pittsfield Retirement Board, CR-05-613, CR-05-614 (Dispatchers)
- Civil action commenced in the Superior Court Department on March 5, 2006 (Sec 91A)

Follow-up on Pre-Employment Physicals

Discussion with Nancy Allen stated that employees are being requested to provide their physician with a job description and obtain a letter of clearance for employment.

The Board felt that the Town should have written policy as to the fact that new employees must provide a job description to a physician and receive written clearance for employment from the physician stating he/she has seen a job description and the employee is capable of performing the duties as described.

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Follow-up on Federal Grant Discussion

Maria Hortaridis, School Business Manager, stated that she has requested that the SPED employee account for reimbursement to the retirement system when writing the grants. She will look into the FY06 grant.

Marcia informed the board that the school had expired all of the FY06 Grant money and had not paid the Teacher's System these funds. The Hull Retirement Board will not be receiving FY06 funds, however they will be receiving the FY07 funds.

A letter will be sent to the Superintendent of School requesting a written guarantee for payment of the FY07 Grant Reimbursement cc: Board of Selectmen.

Amity Insurance Agency, Inc. 03/01/2006 to 03/01/2007 Fidelity Insurance Policy

Jennifer Miller – 12-month merit review effective September 6, 2006. Salary request \$30.00 hourly or \$46,800.00 annually based on 30 hours per week. Current salary \$28.85 hourly.
 The Board felt that the Chairman should do a formal review. Tabled until next months meeting.

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

Informational Mail

- PERAC Notice of Investigative Hearing
- PERAC Memo #37/2006 – Pension Reform and PERAC's Concessions.
- Middlesex Retirement Board response to PERAC Memo 37/2006
- Retired State, County and Municipal Employees Association of MA September Newsletter
- Segal Bulletin
- Delaware Investment Newsletter

Meeting adjourned: 11:50 a.m.

Leonard Colten, Chairman - Left at 11:15 a.m.

Marcia D. Bohinc

Gerald Ball

Maurice Murphy

Ronald Davy