

HULL CONTRIBUTORY RETIREMENT BOARD MEETING

May 25, 2010

9:00 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 9:04 a.m. Present were Members Leonard Colten, Marcia Bohinc, Gerald Ball, Rocky Tenaglia, Maurice Murphy and Retirement Administrator Jennifer Miller.

To Be Voted:

Read and attest to the minutes from the April 27, 2010 regular Board Meeting

Motion made by Rocky Tenaglia seconded by Maurice Murphy to attest to the minutes of the meeting held on April 27, 2010 with corrections.

Unanimously voted:

9:00 a.m - PRIM – 1st Quarter Review – Paul Todisco and David Gurtz – Paul distributed the Pension Reserves Investment Trust Fund Performance Review to the Board. This review has was through April 30, 2010.

Paul began the presentation by advising the Board that Executive Director Michael Travaglini will be submitting his resignation effective June 11, 2010.

As of April 30, 2010 the PRIT fund had been up 4.42% calendar year to date, unfortunately as of this date in May it was back in the negative.

The presentation began with update of personnel, which after November elections the current Chair, Timothy Cahill will may longer be on the Board and depending on the out come of the election, Governor or designee, Greg Mennis, may be replace. The Board was assured that all Board members positions stagger, therefore at no time would there ever be 9 new members at one time. Father, PRIM External Advisors and Independent Auditors are put out to bid every 3 years and its Custodian is every 5 years. This assures that PRIM will remain stable even with the loss of its current executive director.

The PRIT Fund is currently at \$44 billion, which is up \$10 billion since March of 2009 this being PRITS lowest point. Unfortunately due to a bad May the fund is back down again.

Paul then present PRIT's current asset allocation which is 7.4% Hedge Funds, 21.6% Domestic Equity, 21.2% International Equity, 5.9% Emerging Markets Equity, 2.2% Portable Alpha Wind Down, 13. % Core Fixed Income, 6.6% Value-Added Fixed Income, 9.5% Private Equity, 8.7% Real Estate, and 4% Timber/Natural Resources. It's long term asset allocation at this time is to be 8% Hedge Funds, 49% Global Equity, 13% Core Fixed Income, 6% Value-Added Fixed Income, 10% Private Equity, 10%, 10% Real Estate, and 4% Timber/Natural Resources.

Marcia Bohinc asked Paul why the change from Domestic Equity and International Equity to just Global Equity. Paul explained that it changed due to the fact that they now consider this category as ACWE, All Country World Equity, base on the fact that almost every country has businesses operating in all countries, such as US companies are now operating in Germany, and vise versa, therefore domestic and international now more global.

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Although the current year to date PRIT Core Performance Gross of Fees as of April 20, 2010 is below the 8.25% actuarial target, the fiscal year to date and the 1-year are well above it. The 3, 5, and 10-year are also below the 8.25%. The 8.25% is a legislative mandate, and for the PRIT Fund to continually perform at that rate they would have to take huge risks. These numbers are also below based on the fact that 2008 was the worst performance the PRIT Fund had ever seen which left them in the 92 percentile ranking relative to Public Pension Funds for the three years as of 03/31/2010. However the current quarter has them at 38, fiscal year to date at 53rd, 1-year 50th, 5-year 41st, 7-year 10th, and 10-year 32nd. Which once again proves that PRIT has a diversified allocation to withstand long term.

At this time the presentation was concluded and Paul and David took questions from the Board.

10:00 a.m. – John Coggins – Medical Panel Certificate Review – Review letter prepared by Michael Sacco in regards to findings. (MUST BE RETURNED AT END OF MEETING)
 Mr. Coggins was represented by Michael Manning, Attorney, International Brotherhood of Police Officers.

At the request of Mr. Coggins to conduct this discussion in executive session, the following motion was made.

Motion Made by Maurice Murphy seconded by Gerald Ball to go into executive session, with intention to reconvene in open session, to discuss the reputation, character, physical condition or mental health of an individual.

Roll call vote: Rocky Tenaglia, yes; Maurice Murphy, yes; Marcia Bohinc, yes; Gerald Ball, yes; Leonard Colten, yes.

Unanimously voted:

The Board reconvened in open session at 11:40 a.m.

Motion made by Marcia Bohinc seconded by Leonard Colten based on the Medical Panel findings and the advice of the Board's Attorney, Michael Sacco, to deny the Application for Accidental Disability submitted by Mr. Coggins.

Unanimously voted:

Substitute motion by Maurice Murphy to request the Medical Panel re-review the information was withdraw.

10:15 a.m. – Terry Surles – Ordinary Disability Retirement Application Hearing – (Separate File MUST BE RETURNED AFTER MEETING!) Mr. Surles did not attend the hearing nor send representation on his behalf.

Motion made by Gerald Ball seconded by Marcia Bohinc upon receipt of further medical records and the department head statement to request PERAC to convene a medical panel examination.

Unanimously voted:

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Payments:

- Sign all bill warrants for May 2010
- Sign the contributory payroll for May 2010

Transfer Outs:

- Norfolk County Retirement Board request transfer of member's funds held in the name of Nicolas Pino. Transfer of member's funds as follows: \$46,197.24, amount of accumulated deductions, plus \$1,022.48, interest, to a total transfer of \$47,219.72. Service credit liability of 8 years and 9 months accepted by the Hull Retirement System for the period of April 11, 2001 through January 18, 2010.

Motion made by Rocky Tenaglia seconded by Maurice Murphy to transfer the funds held in the name of Nicolas Pino, as describe above.

Unanimously voted:

The Board signed all of the bill warrants inclusive of the transfer out and the contributory payroll for the month of May 2010.

Payroll Changes:

Retirement:

- Marsha Bowes

Retirement Date: 03/31/2010	
Annuity	443.60
Pension	<u>1,423.61</u>
<i>Total Monthly Allowance</i>	<i>\$1,867.21</i>
Annual Annuity	5,323.20
Annual Pension	<u>17,083.32</u>
<i>Total Annual Allowance</i>	<i>\$22,406.52</i>
Option	A
Service	23.4167
Age Factor	2.1
Percentage of Max	80.00%
Percentage of Pay	49.5% *

- First Check April 30, 2010

Motion made by Rocky Tenaglia seconded by Maurice Murphy to approve the Superannuation retirement allowance on Marsha Bowes as stated above.

Unanimously voted:

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- Terrance Surles

Retirement Date: 04/20/2010	
Annuity	284.21
Pension	<u>380.75</u>
<i>Total Monthly Allowance</i>	<i>\$664.96</i>
Annual Annuity	3,410.52
Annual Pension	<u>4,569.00</u>
<i>Total Annual Allowance</i>	<i>\$7,979.52</i>
Option	B
Service	12.4167
Age Factor	1.7
Percentage of Max	80.00%
Percentage of Pay	21. %*

- First Check April 30, 2010

Motion made by Rocky Tenaglia seconded by Maurice Murphy to approve the Superannuation retirement allowance on Terrance Surles as sated above.

Unanimously voted:

Review/Discussion:

Maurice Murphy and Lenny Colten passed out copies of Chapter 32B §9D, 9E, and 9F as well as a copy of September 15, 1980 Special Town Meeting minutes. Due to recent increase in the insurance premiums from 25% to 50% to be paid by retirees under the age of 65, the Board wanted clarification on these items.

The Board allowed questions and heard concerns from John Coggins and Thomas Sullivan as to the effect this increase will have on retirees.

Some of the Board felt that neither the Board of Selectmen nor the Town had the right to make this change without the vote of Town meeting members. Marcia tried to explain that according to Chapter 32B all employees within the same class must pay the same portion of the benefit costs. There the retirees are considered a class of people and should all contribution the same premium portion. Effective July 1, 2010 all retirees will be contributing 50%.

Due to the fact that each member interpreted Chapter 32B as well as the Town meeting vote in September of 1980 differently, they decided to invite James Lampke, Town Counsel, to their next Board meeting for clarification.

Year to date trial balance and cash account reconciliation for the months of January, February, and March.

- Old business
- New Business

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Informational Mail

- PERAC Memo #21/2010 Modification of Disability Retirement Allowances (G.L. c. 32, §8(3))
- PERAC Memo #22/2010 Creditable Service While Receiving Partial Workers' Compensation Benefits
- PERAC Memo #23/2010 – O'Brien v. CRAB & another, 76 Mass. App. Ct. 901 (2010)
- NCPERS New Clips 04/27/2010 to 05/18/2010
- Segal Bulletin – April 2010

Meeting adjourned:

Leonard Colten, Chairman

Gerald Ball

Rocky Tenaglia

Marcia Bohinc

Maurice Murphy