

MINUTES
HULL CONTRIBUTORY RETIREMENT BOARD MEETING
November 29, 2011

The regular meeting of the Hull Contributory Retirement Board, duly posted to be held in the selectman's meeting room, Town Hall, Hull, MA on the above date was called to order at 9:00 a.m. Present were, Members, Leonard Colten, Marcia Bohinc, Maurice Murphy, Rocky Tenaglia, Gerald Ball and Retirement Administrator Lauren Durham. Also present were Town Manager, Phil Lemnios, Town Counsel, Jim Lampke and members of the Hull Fire Department.

In accordance with the open meeting law, the Chair was notified and it was announced that Lauren Durham was making an audio recording of the meeting.

Rocky Tenaglia made a motion, seconded by Gerald Ball to accept the minutes from October 25, 2011 Board meeting with no corrections.

Unanimously Voted.

Payments:

Leonard Colten made a motion, seconded by Maurice Murphy to approve and sign The Bill Warrant for November 2011.

Unanimously Voted.

Leonard Colten made a motion, seconded by Gerald Ball to approve and sign The Payroll Warrant for November 2011.

Unanimously Voted.

New Employees:

Ellen Barone and Jane Walsh were recognized as new members of the Retirement System. Both employees were part time employees who were moved into full time status positions. Welcome Packets and certificates of membership were signed and sent to them.

Review/Discussion:

The members of the Hull Fire Department requested to be placed on the Meeting agenda in order to discuss what would be considered as regular compensation for the purpose of retirement calculation.

Marcia Bohinc opens up the discussion by offering some background information on the topic of regular compensation and Pension reform of 2009. As of July 1, 2009 the legislature redefined regular compensation to include wages. Wages was further defined as Base Salary, which the employer will set. To answer the question of what will this board use to calculate a member of the Hull Fire Departments retirement, this board has 3 options:

- 1- Determine if this Board needs to adhere to the Hull Fire Department Collective Bargaining Agreement where base salary is specifically defined and disallow the specific payments from being calculated for any benefit to include retirement benefits.

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- 2- Determine if this Board can disregard definition of Base pay in the Collective Bargaining agreement between the Hull Fire Department and the Town of Hull for Retirement Purposes.
- 3- Determine if this Board should wait for a legal opinion. This option raises the question of what happens if a member of the Hull Fire Department submits paperwork to retire in the interim?

Marcia Bohinc also offers that PERAC has just issued a memo (PERAC Memo 33/2011) which highlights the exact types of compensation that may be included as regular compensation/base pay.

Phil Lemnios: The town is not in agreement with Michael Sacco, nor is PERAC. PERAC has responded to the Boards request specifically looking at the Fire Departments contract and their determination is that the items traditionally included in retirement calculations should continue to be included in the calculation. The Retirement Board should be going by Massachusetts General Laws to determine what is retirement eligible, not the Collective Bargaining agreement between the town and the Fire Department.

Marcia Bohinc reiterates that with the change in the law as of July 1, 2009, the law now states that base pay will be used to calculate retirement. It is in the opinion of the Boards legal counsel that the employee- employer sets what base pay is, (in the collective bargaining agreement) so the question still remains, does the Board go by the Collective Bargaining agreement to determine what is included in base pay or not? PERAC has issued their opinion as well, but it is not regulation.

Jim Lampke, Town Counsel, offers that state Law governs what Retirement Boards use to calculate retirement benefits. He does not see any problem with the current language in the current contract. The language of computation of benefits under the collective bargaining agreement refers to benefits covered by the collective bargaining agreement, of which retirement is not one of.

Rocky Tenaglia would like to make a motion to accept the most recent PERAC Memo #33/2011, and include what PERAC includes as base salary and exclude what PERAC says should be excluded from base pay for retirement purposes.

Marcia Bohinc further reads the newly released memo, and summarizes that if the Board decides that this new memo will be the policy adopted, then nothing has changed with Pension reform of 2009 and the definition of wages and how we would calculate retirement.

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Gerald Ball states that he will not be voting on an issue of this substance at this time. The Board has the potential of turning over 3 positions within the next few weeks and doesn't believe a vote should be held until the new members (if any) are determined.

Rocky Tenaglia made a motion, seconded by Leonard Colten to accept, for purposes of regular compensation, PERAC Memo #33/2011.

Leonard Colten, Rocky Tenaglia and Marcia Bohinc- YES
Gerald Ball, Maurice Murphy- Abstained
Motion Approved.

Captain Breen of the Hull Fire Department asks the Board how binding this vote is. What if the majority of the Board is turned over in a couple of weeks. Will this issue have to be revisited?

Marcia Bohinc responds by saying that there is always the possibility that something could change down the line, but hopefully it won't.

The Retirement Board has a policies and procedures manual that will be updated with the specifics of what is to be included and what is to be excluded from base pay for retirement purposes. If the Fire Department has questions with certain types of their compensation they are welcome to submit a list of all the types of compensation they could receive and the Board will go through them all and determine which will be included. This manual is applicable to ALL members of the retirement system and is available if any member would like a copy.

Marcia Bohinc also notes to the present members of the Fire Department that PERAC Memo #30/2011 address Shift Substitutions, Creditable Service and Regular Compensation. There will be a new line on the retirement application that requires you to acknowledge if you have ever done any shift swapping and then the retirement board will confirm with your department that all of your time has been accounted for.

Updates:

The notice for the Hull Retirement Boards Fifth position has been posted and as of today we have received 3 notices of interest.

PRIM Board Updates for September and October 2011

Year to Date Trial Balance for September and October 2011

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Informational Mail:

The Board reviewed the following informational mail:

- PERAC Memo #28/2011- Post Retirement Limits on Public Employment in Massachusetts for Retirees of a Public Retirement System
- 10/17/2011- Notice of Re-evaluation of Terrance Surles
- PERAC Memo #29/2011- Tobacco Company List
- PERAC Memo #30/2011- Shift Substitutions, Creditable Service and Regular Compensation
- PERAC Notice, November 2, 2011- Appropriation for Fiscal Year 2013
- NCPERS New Clips- October 25, 2011, November 1, 2011, November 8, 2011, November 15, 2011
- Massachusetts Taxpayers Foundation- The Critical Need for Pension Reform 11/3/2011
- Mass. Municipal Health Reform Legislation of 2011- Changes to MGL Ch. 32B
- Mass Retirees- New Pension Law Adopted 11/15/2011
- PERAC Memo #31/2011- Attorney General's Regulations on Remote Participation, 940 CMR 29.10

The Board scheduled the next meeting for Tuesday, December 20, 2011 at 9:00 a.m. In the Selectman's Meeting Room.

Meeting adjourned: 10:25 a.m.

Marcia Bohinc, Chairperson

Gerald Ball

Rocky Tenaglia

Leonard Colten

Maurice Murphy

