

MINUTES
HULL CONTRIBUTORY RETIREMENT BOARD MEETING
September 25, 2012

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 9:05 a.m. Present were, Members, Marcia Bohinc, Leonard Colten, Gregory Galvin, Phil Lemnios, Brian Thompson and Retirement Administrator Lauren Durham.

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

Minutes:

Leonard Colten made a motion, seconded by Marcia Bohinc to approve the minutes from the December 20, 2011 meeting with corrections.

Leonard Colten: Yes

Marcia Bohinc: Yes

Brian Thompson, Phil Lemnios, Greg Galvin abstained as they were not yet appointed to the Board.

Motion Passed.

Greg Galvin made a motion to approve the minutes with correction from the Regular Board meeting on August 28, 2012, seconded by Leonard Colten.

4: Yes

1: Abstained.

Marcia Bohinc abstained due to her absence at August Meeting

Motion Passed.

Leonard Colten made a motion to approve, but not release the Executive Session minutes from August 28, 2012 because the matter within the minutes is still ongoing. Greg Galvin seconded the motion.

4: Yes

1: Abstained.

Marcia Bohinc abstained due to her absence at August Meeting

Motion Passed.

Payments:

Greg Galvin made a motion to approve and sign the Bill Warrant for September 2012, seconded by Phil Lemnios.

Unanimously Voted.

Greg Galvin made a motion to approve and sign the Payroll Warrant for September 2012, seconded by Brian Thompson.

Unanimously Voted.

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Leonard Colten made a motion to amend Gregory Galvin's appointment date from February 16, 2012 to January 31, 2012. This was the first official meeting Mr. Galvin attended.

Marcia Bohinc: Yes

Leonard Colten: Yes

Brian Thompson: Yes

Greg Galvin and Phil Lemnios abstained as they were not yet members of the Board.

Motion Passed.

New Member:

The Board welcomes Caitlin Corcoran to the Hull School Department. State date of August 27, 2012, Group 1. A welcome letter and certificate have been sent to her.

Payroll Changes:

The Board received notice of death of Flora Belmarsh, date of death August, 22, 2012. Ms. Belmarsh chose and A option at the time of retirement. Final Payment for the period of August 1, 2012 through August 22, 2012 in the amount of \$503.82 was paid on August 30, 2012.

Transfer Request:

Phil Lemnios made motion, seconded by Brian Thompson to grant a request from the Weymouth Retirement Board to transfer the following member's fund:

James Marcella: \$60,501.61, amount of accumulated deductions, plus \$1,123.32, interest, to a total transfer of \$61,624.93. Service credit liability of 10 years and 9 months accepted by the Hull Retirement System for the period of October 5, 2001 through July 7, 2012.

John Lombardo: \$37,117.41, amount of accumulated deductions, plus \$380.52, interest, to a total transfer of \$37,497.93. Service credit liability of 7 years and 1 month accepted by the Hull Retirement System for the period of May 16, 2005 through July 7, 2012.

Unanimously Voted.

Review Discussion:

Fiduciary Insurance:

The Board was presented the Fiduciary Insurance proposal prepared by Paul Shanley of Amity Insurance. Travelers, RLI & CHUB all declined to offer terms due to funding levels. State National Insurance offered 3 different Terms. The Board has requested that additional quotes are obtained in order to compare terms/offers. The board would also like to know what similar retirement Boards are paying for premiums and coverage. Phil Lemnios suggests using Richardson Insurance for an additional quote. He also would

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Like to confirm that State National Insurance are chartered in Massachusetts and find out their rating. The Board hopes to make a decision once this information has been obtained and reviewed.

Buyback Supplemental Regulations:

After reviewing Section 9 of Chapter 176 of the Acts of 2011 and a sample of surrounding Boards actions to the aforementioned sections, Phil Lemnios made a motion to adopt the following supplemental regulation regarding Buybacks.

Buybacks and Services Purchases (Non-Military)

The Hull Retirement Board under the provision of section 9 of Chapter 176 of the Acts of 2011 established by virtue of rights the following:

1. Any member of the retirement system who has a membership date prior to April 2, 2012 and commences a buyback or enters into a payment plan, not to exceed five (5) years, prior to April 2, 2013, will be charged the buyback interest rate (1/2 actuarial assumed interest rate). If said member does not commence the buyback or enter into a payment plan prior to April 2, 2013, the member will be charged the full actuarial assumed interest rate.
2. Any member of the retirement system who has a membership date after to April 2, 2012 will have 1 year from their membership date to commence a buyback or enter into a payment plan, not to exceed five (5) years, will be charged the buyback interest rate (1/2 actuarial assumed interest rate). If said member does not commence the buyback or enter into a payment plan within one (1) year of membership, the member will be charged the full actuarial assumed interest rate.

Unanimously Voted.

Updates:

New Business:

Marcia Bohinc attended the PERAC "Emerging Issues" forum on Thursday, September 20, 2012 at the College of the Holy Cross. The theme was "Sustaining Public Pensions and Post-Retirement Benefits" Marcia provided the Board with a handout developed by Jim Lamenzo, actuary at PERAC, which detailed how individuals are/can fully fund their pension. Some examples discussed were a Group 1 employee hired at age 25 with an annual salary of \$30,000.00 with a 5% pay increase annually will fully fund their retirement at age 55, 60 and 65. Another example described a Group 1 employee, hired at age 35, at \$50,000.00 annual salary, with a 4% pay increase annually could possibly fully fund their retirement at age 55, but would not at age 60 or 65. Phil Lemnios commented

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that this was a helpful breakdown to show that employees of the Massachusetts pension system are fully funding their retirement. In the case that the employee would not fully fund their retirement, Mr. Lemnios asks what the cost savings are the employer (taxpayer) on not having to pay into Social Security for these employees. He believes that should be factored in, and it may bring up the case there the employee was not fully funding their pension.

Phil Lemnios made a motion, seconded by Brian Thompson to reimburse Board Members/ Board Administrator for travel expenses incurred while attending educational meeting. Mileage reimbursement rate will be the IRS standard reimbursement rate.
Unanimously Voted.

The Trial Balance for July 2012 and the PRIM Board Update were reviewed by the Board. Marcia Bohinc requests that Lauren Durham follow up with PRIM in regards to obtaining a quarterly breakdown of the management fees incurred each month.

At 10:20 a.m. Phil Lemnios made a motion to go into Executive Session to discuss strategy with respect to litigation in the case of John Coggins, and declares that an open meeting may have a detrimental effect the litigating position of the body, and to reconvene in Open Session. The Board went into Executive session by Roll call vote.

Phil Lemnios- Yes

Brian Thompson- Yes

Leonard Colten- Yes

Marcia Bohinc- Yes

Gregory Galvin- Yes

Unanimously Voted.

At 10:25 Phil Lemnios made a motion to leave Executive Session and return to Open Session.

Roll Call Vote,

Phil Lemnios- Yes

Brian Thompson- Yes

Leonard Colten- Yes

Marcia Bohinc- Yes

Gregory Galvin- Yes

Unanimously voted.

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Informational Mail:

The Board reviewed the following Informational Mail:

- Retired State, County and Municipal Employees Association of Massachusetts- September 2012
- NCPERS News Clips: 8/28/2012, 9/4/2012, 9/11/2012, 9/18/2012

The Board scheduled the next meeting for Tuesday October 23, 2012 at 9:00 a.m. In the Selectman's Meeting Room.

Meeting adjourned: 10:29 a.m.

Marcia Bohinc, Chairperson

Gregory Galvin

Phil Lemnios

Leonard Colten

Brian Thompson