

MINUTES
HULL CONTRIBUTORY RETIREMENT BOARD MEETING
October 23, 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 9:02 a.m. Present were, Members, Marcia Bohinc, Leonard Colten, Gregory Galvin, Phil Lemnios, and Retirement Administrator Lauren Durham. Brian Thompson was absent.

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.

Minutes:

Phil Lemnios made a motion, seconded by Greg Galvin to approve the minutes from the September 25, 2012 Regular Board meeting.

Unanimously Voted.

Leonard Colten made a motion to approve, but not release the Executive Session minutes from September 23, 2012 because the matter within the minutes is still ongoing. Greg Galvin moves to strike paragraph beginning with Phil Lemnios as he believes it is redundant. Phil Lemnios seconds the amendment to the motion.

Unanimously Voted.

Payments:

Phil Lemnios notes that the Board is not able to see the Bill Warrant until it is time to sign it. He requests that the signature page of the Bill warrant and Payment warrant be included in the monthly Board packet for review prior to the Board meeting.

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

Unanimously Voted.

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

Unanimously Voted.

Transfer Request:

Phil Lemnios made a motion, seconded by Greg Galvin to transfer the appropriate amount of member's funds to the Plymouth County Retirement System in the name of:

Michelle Gill: \$4,567.73, amount of accumulated deductions, plus \$2.03 interest, to a total transfer of \$4,569.76. Service credit liability of 1 Year and 7 months accepted by the Hull Retirement System for the period of January 1, 2011 through August 1, 2012.

Unanimously Voted.

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Review Discussion:

Fiduciary Insurance:

Marcia Bohinc offered a handout to the Board she received from Jim Lampke, Hull Town Counsel, that demonstrates how Fiduciary Insurance is beneficial to retirement Boards and notes the case of *James G. Clothier & another (1) vs. teachers' Retirement Board & another (2)*. The Board had requested Lauren look into other Retirement Boards fiduciary Insurance premiums and coverage. Based on the Boards contacted, all the sampled Boards were members of the MACRS group and therefore paid premiums based on that group. Nevertheless, the Board received 3 reasonable quotes from Paul Shanley. The Board agrees that this is something that the Board Needs.

Phil Lemnios made a motion to acquire Fiduciary Insurance through State National Insurance with a limit of \$5,000,000.00 and deductible of \$25,000.00. Greg Galvin seconded the motion.

Unanimously Voted.

The Board requests that Lauren Durham confirm with Paul Shanley that this policy includes the same coverage other Boards receive through the MACRS policy with Travelers Insurance. Lauren will also request Paul Shanley to come to present the policy and discuss the coverage.

At 9:48 Phil Lemnios excused himself from the meeting as he had a schedule conflict.

1/1/2012 Actuarial Valuation Report- Larry Stone

Mr. Stone distributed copies of the preliminary results to the Board for review. The current funding schedule is based on the 1/1/2010 valuation. The new schedule will be based on the 1/1/2012 valuation results for fiscal year 2014. The preliminary results showed the Board has an overall actuarial asset loss. There was an asset loss of \$864,000 over the 2-year period of time. This is reflective of an annual rate of return of 6.3% (7.75% was expected). The current assumptions are a 7.75% Interest rate and 4.75% ultimate salary assumption. The Board discussed reviewing the 4.75% salary assumption as it may be too high. Mr. Stone provided examples if the salary assumption was dropped to 4.5%. The Board is now funded 44%, up from 42% as of the 1/1/2010 valuation. The Board was not prepared to vote at this time as they needed to time review and discuss further, any changes that may need to occur. The Board thanked Mr. Stone for his presentation and will be contact with him with any additional needs regarding this report.

Review/Discussion:

Holiday Payments:

Leonard Colten made a motion to approve an early Pension pay date for retirees as follows: Wednesday, November 21, 2012 and Thursday, December 20, 2012.

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Marcia Bohinc- Yes

Leonard Colten- Yes

Greg Galvin- Yes

Motion Passed.

CY 2013 Budget Analysis:

Greg Galvin requests that Lauren Durham insert a current year-to-date column for 2012 to see where the board's expenses are for the year. Lauren will modify the Budget for the board to review at the November meeting.

The Board has reviewed the PRIM Board update for August 2012, Trial Balance for August 2012 as well as the Board Meeting schedule through October 2013.

Informational Mail:

The Board reviewed the following Informational Mail:

- PERAC Memo #46/2012- Anti-Spiking Review
- PERAC Memo #47/2012- Mandatory Retirement Board Member Training- Quarterly Update
- PERAC Memo #48/2012- Appropriation data Due October 31, 2012
- 10/11/2012 PRIT- Save the Date- PRIM Investors' Conference- May 9, 2013
- October 9, 2012 PERAC- Annual Statement of Earned Income Waiver Affidavit
- PERAC Memo #49/2012- Investment Under Chapter 176 of the Acts of 2011- #2
- PERAC Memo #50/2012- Tobacco Company List

The Board's next scheduled meeting is for Tuesday November 20, 2012 at 9:00 a.m. In the Selectman's Meeting Room.

Meeting adjourned: 11:28 a.m._____

Marcia Bohinc, Chairperson

Gregory Galvin

Phil Lemnios

Leonard Colten

Brian Thompson