

MINUTES
HULL CONTRIBUTORY RETIREMENT BOARD MEETING
November 20, 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 9:04 a.m. Present were, Members, Marcia Bohinc, Brian Thompson, Gregory Galvin, and Retirement Administrator Lauren Durham. Leonard Colten and Phil Lemnios were 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:

Greg Galvin made a motion, seconded by Brian Thompson to approve the minutes from the October 23, 2012 Regular Board meeting with corrections.

Unanimously Voted.

Paul Shanley- Fiduciary Insurance Presentation

The Board has invited Paul Shanley to present the importance of fiduciary Insurance for the Board and the members. Paul has an extensive background in M.G.L. Chapter 32. He is currently handling the MACRS fiduciary insurance plan through Travelers Insurance. In addition to the 80 members of the MACRS plan, he also works with City of Boston, State Retirement Board, Cambridge Retirement Board, Brockton Retirement Board and Chelsea Retirement Board. He explains that in order to enter into the MACRS "pool" the Board must reach a funding level of 60% or higher. Since we are not there yet, we can purchase our own separate plan. Paul emphasizes that the two most important reasons for a board to have the coverage is because (1) as a trustee, you are personally liable, and (2) this will cover your defense costs if you are sued. He goes on to explain that this is a "claims made" policy, meaning that if a claim is made 20 years from now the policy will cover it, as long as there is no lapse in coverage. This policy covers all Board members and staff. Paul provided a handout that summarized the protection this policy offers. Because of the level of funding of the Hull Retirement Board, Paul requested quotes from 11 insurance companies, 10 declined to provide a quote. After the Board has been enrolled in a policy for some time, that may allow for some room to negotiate with others at that time.

The Board thanked Paul for his time, as he was very helpful with his explanation of the importance of this coverage.

Payments:

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

Unanimously Voted.

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

Unanimously Voted.

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Review Discussion:

1/1/2012 Actuarial Valuation Report

The Board was provided with a corrected presentation from Larry Stone which included Janet Bennett as an Active Member, the original presentation calculated her as an inactive because she elected to stop retirement deductions upon her 70th birthday.

There are a couple of assumptions that the valuation is based on, (1) the interest rate, we have maintained at 7.75% over the past couple of years which seems a bit more realistic than the state's 8.25%. It is still a bit aggressive, but Marcia believes we shouldn't go any lower than that at this time. The second is the annual salary increase, which we had been using at 4.75%, but now that might be a bit high, and asked Larry to use 4.5% instead. The last is the amortization percent, how much the appropriation increases over a set amount of time. After brief discussion the Board was going between a 20 year amortization schedule and a 21 year schedule. The Board wants to keep the town in mind in making this decision because the retirement Board would not want to cause any type of fiscal crisis over this. That would come back to effect the retirement board in the long run.

Brian Thompson made a motion, seconded by Greg Galvin to accept the 1/1/2012 Actuarial Valuation as presented with a length of 20 years, 4.5% salary increase and an interest assumption of 7.75%.

Unanimously Voted.

CY 2013 Budget Analysis:

The Board had asked Lauren Durham to insert a 2012 CY Year-to-Date column to the Budget to use as a guide.

Greg Galvin made a motion to accept the Budget analysis for Calendar year 2013, seconded by Brian Thompson.

Unanimously Voted.

Informational Mail:

The Board reviewed the following Informational Mail:

- 11/1/2012- Michael Sacco- Recent Decisions of Note, Rotundi and Madonna
- PERAC Memo #51/2012- Chapter 32, Section 23B Contract Terms, Indemnification, Disclosure, and Fiduciary Duty
- PERAC Memo #52/2012- Education Reminder
- Retired State, County and Municipal Employees Association of Massachusetts- November 2012

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**The Board's next scheduled meeting is for Tuesday December 18, 2012 at 9:00 a.m.
In the Selectman's Meeting Room.**

Meeting adjourned: 10:22 a.m.

Marcia Bohinc, Chairperson

Gregory Galvin

Phil Lemnios

Leonard Colten

Brian Thompson