

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
May 30, 2012

A meeting of the Franklin Regional Retirement Board, duly posted to be held in the Board office, 278 Main Street, Suite 311, Greenfield, MA., on the above date was called to order at 8:06 AM by Board Chair, Sandra Hanks with Board Members Herb Sanderson, Paul Mokrzecki and David Gendron present. Also present were Executive Director Dale Kowacki, Assistant Director Susan Bobe and Administrative Assistant Christine Rodriguez.

Prior to and during the meeting, the following items were available for the Board's review: monthly financial statements, current investment statements, invoices, and member and retiree files related to items on the agenda.

Review and Acceptance of Meeting Minutes

On a motion made by D. Gendron and second by H. Sanderson, the Board voted unanimously to approve the minutes of the regular meeting held on April 25, 2012.

Payroll, Refunds, Transfers and Bills Warrants

On a motion made by P. Mokrzecki and second by D. Gendron, the Board voted unanimously to approve the warrants as follows:

<i>Retirees Payroll</i>	<i>\$546,150.28</i>
<i>Refunds</i>	<i>7,326.38</i>
<i>Death Refund</i>	<i>1,019.85</i>
<i>Transfers</i>	<i>33,116.94</i>
<i>Invoices</i>	<i><u>42,196.87</u></i>
<i>For a total of:</i>	<i>\$629,810.32</i>

Cash Transfer between Investments and bank

On a motion by D. Gendron and a second by P. Mokrzecki, the Board voted unanimously to transfer \$130,000 from the PRIT Core Fund to TDBank to cover next month's warrants.

Visitors

George Randall, Option D retiree and his wife Marge were visitors.

New Members

On a motion made by D. Gendron and second by H. Sanderson, the Board voted unanimously to approve the new members as follows:

Dorval, Jason K.	DER	05/21/2012
Green, Tasyrn T.	DER	04/23/2012
Lastowski, Richard A.	FRN	04/02/2012
Rawls, Ashlea A.	LEV	04/05/2012

Existing Members – Different Units:

Baker, Laura R.	MOH	01/23/2012
Hartnett, Robin E.	COL	05/07/2012
Sullivan, Jean A.	SND	02/29/2012
Taylor, Stephen D.	SDW	04/23/2012

New Retirees:

On a motion made by D. Gendron and second by H. Sanderson, the Board voted unanimously to approve the following retirements:

Cranshaw, Moira – PERAC approval has been received for a Superannuation Retirement Option C, effective April 1, 2012. Ms. Cranshaw was employed by the Town of Sunderland and the Sunderland school as a librarian. She has a total of 15 years, 8 months of service including 5 years, 20 days of service accepted by the State Board of Retirement.

Buybacks and Makeups:

On a motion made by P. Mokrzecki and second by D. Gendron, the Board voted unanimously to approve the following:

Harding, Thomas – Police Chief with the Town of Shutesbury has requested a make-up of service for work as a part time Police Officer in the Town of Hadley from April 19, 1999 through March 15, 2002. Hampshire Retirement will not accept liability. Service is based on actual hours worked for a total of 4 months, 24 days at a cost of \$1,304.65 if paid by June 30, 2012; otherwise interest will accrue as allowed by law.

Kaczinski, Bethann – current member with the Erving Police Dept. has requested a make-up of service for work as a part time Police Officer in Erving from February 1989 through March 12, 1990. Service is based on actual hours worked for a total of 5 months, 18 days at a cost of \$1,135.93 if paid by June 30, 2012; otherwise interest will accrue as allowed by law.

Miller, Ellen – current member in the Town of Rowe has requested a make-up of service for her years elected to the Selectboard between 5/18/1985 and 5/18/1991 and for additional hours worked between 11/24/1984 and 5/17/1985 as emergency service coordinator and secretary to the school board. Total service allowed is 6 years, 6 days at a cost of \$1,819.51 if paid by 6/30/2012 otherwise interest will accrue as allowed by law.

Pulaski, Paula – current member in the Town of Sunderland has requested a buyback of a refund taken on March 27, 1969 from the State Retirement Board. The State Retirement Board will accept 7 months, 13 days of service for work between April 7, 1968 and November 19, 1968. The total cost of the buyback is \$593.18 if paid by 6/30/2012; otherwise, interest will accrue as allowed by law.

Scarborough, Kevin – current member with Deerfield Highway – fulltime, and South Deerfield Fire District – CFF/mechanic, has requested a buyback of two refunds taken from the State Retirement Board, for which the State Board accepts liability, as follows:

1. 12/1/1985-2/27/1987: 1 year, 2 months, 27 days. Total cost if paid by 6/30/2012 is \$3,554.88. Refund was 4/17/87 for \$1,143.47.
2. 7/6/1993-9/12/1998: 5 years, 2 months, 7 days. Total cost if paid by 6/30/2012 is \$17,616.56. Refund was on 1/3/2003 for \$12,204.06.

Hunter, Sheila – Massachusetts Teachers' Retirement System on behalf of former member requests FRRS to accept liability for creditable service of 3 years, 7 months, 4 days (on a 12-month basis), upon payment to MTRS for a refund of contributions given August 31, 1997 for \$2,988.38 for service with the Town of Leverett from January 3, 1992 to June 30, 1995.

Linda Tyler – In April 2012, when preparing documentation for a buyback via the Greenfield Retirement System of a refund from FRRS, it was revealed that this person was eligible for membership with FRRS for an entire school-year (1982-1983) prior to being made a member in September 1983. Payroll records and employment contract both confirm this member was paid \$6,783.84 to work in a 37 hour-per-week, teacher aide position with the Erving Elementary School. FRRS will accept one year of creditable service, on a 12 month basis, upon payment to the Greenfield Retirement system of the deductions commensurate with the salary paid, and without interest added because membership was withheld in error.

Deaths:

The following deaths of FRRS retirees were noted:

Kelleher, John, an Option B retiree since 12/31/1985, passed away on 4/23/2012. Mr. Kelleher served the Town of Deerfield for 21 years. There are no remaining funds for a beneficiary.

General Business:

Annual Report ready to submit to PERAC:

All Board members have signed the annual report and it is now ready to submit to PERAC.

Request to waive recovery of erroneous benefit paid to Option D survivor:

As a result of research regarding survivor beneficiaries eligible to receive the increased minimum Option D benefit, it was discovered that George Randall (husband of Ellen Randall) had been receiving the minimum, in error, since 2000. As required by law, Mr. Randall has been informed of the error and the process of correction and recovery of the erroneous benefit has begun. Mr. Randall has requested, via letter from his attorney, that the Board waive recovery of the erroneous benefit. Michael Sacco has reviewed the attorney's letter and has advised the Board to collect the erroneous excess.

On a motion made by D. Gendron and a second by H. Sanderson, the Board voted unanimously to require Mr. Randall to repay the full amount of overpaid funds and to stop his benefit immediately. In order to recoup the funds, a payment plan may be established with the Board considering Mr. Randall's financial records, if submitted, to achieve an acceptable monthly payment amount.

Determine policy on interest rate on purchase of nonmember service

The latest Pension Reform included a provision that gave returning members one year from their return date to buyback any refunds at half the interest rate, after which the rate would be full actuarial interest (7.875%). PERAC has included purchases of nonmember service (part-time, temporary) in their interpretation of the law. Michael Sacco has stated that this is incorrect and the Board should decide for itself how to apply the new law.

On a motion made by H. Sanderson and a second by D. Gendron, the Board voted unanimously not to charge actuarial interest on the purchase of non-member service.

Quarterly Investment Managers

9:05 – Greg McNeillie, Managing Partner, Principal from Dahab reviewed the Board's 1st Quarter results.

9:45 – Mariko Gordon, CFA, Founder, CEO, CIO; and David Gerber, COO, CFO, both from Daruma gave a performance update, discussed staffing changes, and confirmed that the small-cap focus of the fund remains the same.

Adjournment

On a motion made by H. Sanderson and a second by D. Gendron, the Board unanimously voted to adjourn the meeting at 10:47 a.m.

Respectfully submitted,

Dale C. Kowacki, Executive Director

THESE MINUTES APPROVED ON July 25, 2012

Sandra A. Hanks, Chair

Herbert L. Sanderson Jr., Vice-Chair

David R. Gendron, Board Member

ABSENT

Mary A. Stokarski, Board Member

Paul J. Mokrzecki, Board Member

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