

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
September 26, 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 8:04 AM by Board Chair, Sandra Hanks with Board Members Herbert Sanderson, Mary Stokarski and David Gendron present. Also present were Executive Director Dale Kowacki, Assistant Director Susan Bobe, Member Services Accountant Deb Frenzoz.

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 H. Sanderson and second by M. Stokarski, the Board voted unanimously to approve the minutes of the regular meeting held on August 29, 2012.

On a motion made by H. Sanderson and second by M. Stokarski the Board voted unanimously to approve the minutes of the special meeting held on September 18, 2012.

Payroll, Refunds, Transfers and Bills Warrants

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

<i>Retirees Payroll</i>	<i>\$609,808.24</i>
<i>Refunds</i>	<i>2,495.95</i>
<i>Transfers</i>	<i>87,724.27</i>
<i>Invoices</i>	<i><u>25,446.13</u></i>
<i>For a total of:</i>	<i>\$725,474.59</i>

Cash Transfer between Investments and bank

On a motion by D. Gendron and a second by H. Sanderson, the Board voted unanimously to transfer \$580,000 from the PRIT Core Fund to TDBank to cover next month's warrants.

New Members

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

<i>Bosman, Lynn Podosek</i>	<i>DER</i>	<i>8/31/2012</i>
<i>Burt, Melanie</i>	<i>SND</i>	<i>8/27/2012</i>
<i>Crowley, Caeli</i>	<i>SND</i>	<i>8/29/2012</i>
<i>Curtis, Carolyn</i>	<i>PNR</i>	<i>8/27/2012</i>

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Diamond, Jonathan	MOH	8/27/2012
DiGeorge, Donna	PNR	8/29/2012
Doster, Amanda	FRG	8/27/2012
Emberley, Robert	PNR	8/29/2012
Fontaine, Valerie	PNR	8/29/2012
Fraser, Jodie	SND	8/29/2012
Frost, Allen	WEN	9/04/2012
Grundstrom, Erika	SND	8/13/2012
Kolakoski, Kevin	DER	8/27/2012
Kolek, Kimberly	SND	8/28/2012
LaRochelle, Amy	FRN	8/23/2012
Leveille, Patricia	FCR	8/27/2012
Mailloux, Katelyn	STB	8/27/2012
McDermott, Rebekah	SFF	9/10/2012
Nygaard, Erika	PNR	8/29/2012
Rodgers, John L.	PNR	8/26/2012
Seetal, Kyle	DER	8/28/2012
Skiff, Britney	SND	8/29/2012
Soto, Jeffrey	STB	8/20/2012
Steffens, Timothy	STB	9/10/2012
Tutun, Sarah	FRN	8/29/2012
Whiteman, Alison	PNR	8/29/2012
Wiswell, Virginia	MOH	8/16/2012

Existing Members – Different Units:

Thornton, Amy	MOH	8/24/2012
Makosiej, Melissa	CON	8/30/2012
Shedd, Debra-Lynn	PNR	8/29/2012
Lambert, Jonathan	LEV	8/28/2012

New Retirees:

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

Abramson, Wendolyn – PERAC approval has been received for an Option B retirement effective 6/30/12. Ms. Abramson worked in the Pioneer Valley Regional School District for total service of 14 years, 1 month.

Cormier, Constance – PERAC approval has been received for an Option B retirement effective 7/23/2012. Ms. Cormier worked as an aide in the Orange school system for a total of 23 years creditable service. MTRS has liability for 3 years, 4 months, 16 days of the total service.

Cusimano, Donna - PERAC approval has been received for an Option A retirement effective 6/30/2012. Ms. Cusimano worked in the Mohawk Regional School District for a total of 26 years, 2 months of creditable service.

Eklund, Sandra – PERAC approval has been received for an Option B retirement effective 6/30/12. Ms. Eklund worked in the Mahar Regional School District for total service of 33 years, 7 months.

Johnson, Christine – PERAC approval has been received for an Option B retirement effective 07/01/2012. Ms. Johnson worked as an aide in the Deerfield school system for a total of 21 years, 11 month creditable service.

O'Lari, Margaret – PERAC approval has been received for an Option A retirement effective 6/30/2012. Ms. O'Lari worked in the Orange Elementary Schools for a total of 21 years, 1 month creditable service.

Potter, Patricia - PERAC approval has been received for an Option B retirement effective 6/01/2012. Ms. Potter worked in the Mohawk Regional School District for a total of 18 years, 8 months of creditable service.

Richardson, Suanne –PERAC approval has been received for an Option B retirement effective 6/30/2012. Ms. Richardson worked as a secretary in the Orange elementary schools for a total of 27 years 3 months creditable service.

Thoresen, Jane – PERAC approval has been received for an Option A retirement effective 6/30/2012. Ms. Thoresen worked as the Treasurer in the Town of Monroe for a total of 21 years creditable service.

Wozniakewicz, Michael – PERAC approval has been received for an Option C retirement effective 7/10/2012. Mr. Wozniakewicz served in the police department for the Town of Deerfield, retiring from the Chief's position with a total of 33 years, 4 months of creditable service. The State Board of Retirement has liability for 1 year, 10 months, 16 days of his total service.

Disability Retirements:

Welcome, Dennis - application received and reviewed by board's counsel, Michael Sacco, who recommends an evidentiary hearing with the board. A vote is needed by the board to accept the application and decide how to proceed - materials enclosed.

On a motion made by H. Sanderson and a second by D. Gendron, the Board unanimously voted to accept Dennis Welcome's disability application with an evidentiary hearing set for October 10, 2012.

The Board requested a letter be sent to Mr. Welcome informing him of his right to have his lawyer present at the hearing.

Accept Liability for Buybacks and Makeups through other Systems:

On a motion made by D. Gendron and second by H. Sanderson, the Board voted unanimously to approve the following, as well as the regular buyback below:

Boisjolie, Nancy – the Hampshire County Retirement System, on behalf of former member, requests FRRS to accept liability for creditable service of 1 year upon payment to the Hampshire County Retirement System for a refund of contributions given 10/31/2005 for service with the Town of Sunderland between 09/01/2004 and 06/22/2005.

Buybacks and Makeups:

Lovell, Judy – current member with the Town of Orange has requested a make-up of service between 8/29/2001 and 9/23/2001 Total creditable service available for purchase is 26 days and the total cost is \$94.24 if paid by October 31, 2012; otherwise, interest will accrue as allowed by law. Ms. Lovell was hired into an eligible position on 8/29/2001 but deductions were taken for OBRA out of her first 3 paychecks. This purchase will allow her a full 11 years of service for retirement, effective 6/30/2012.

Deaths

Lively, Irene – Option A retiree since 08/31/1981 died on 09/8/2012. Ms. Lively was employed by the Buckland-Colrain School District for 11 years.

General Business:

Vacation credit for new employee

Our personnel policy includes the provision that employees can include prior municipal service in the calculation of their rate of annual vacation accrual. Patty worked full-time for over 11 years with the Gill-Montague School District, has provided the attached documentation, and would like the Board to approve the service and allow her to accrue vacation credit at our maximum of 20 days per year.

On a motion made by H. Sanderson and second by M. Stokarski, the Board voted, with 3 ayes and 1 nay to approve the vacation credit for Patty Leveille. - D. Gendron opposed the motion.

In addition the Board requested this topic be brought back at a future date for further discussion of what prior municipal service to include when calculating “creditable service time for vacation purposes.”

Board Policy regarding signature date of retirees payroll

The Board discussed current internal policy regarding when retirement allowances are paid and mailed, and concluded that internal policy should be retained and become board policy.

On a motion made by D. Gendron and second by M. Stokarski, the Board

unanimously voted to accept our internal policy as board policy.

Our internal policy is:

Retirement allowances are paid on the last business day of each month, or the 30th, whichever comes first. Check date should be the last business day of each month, or the 30th, whichever comes first. Checks will be mailed after 3:00 PM on the second business day prior to the check date.

Note: H. Sanderson agreed to sign the October retiree checks as S. Hanks will be away.

Second discussion of budget for next year

The board reviewed and discussed the updated estimate for the Health & Life Insurance line for 2013 and had no further requests in this regard or others on the budget. The budget will be presented again at the October Board meeting for a vote of approval.

Membership for mixed function school employees

The Board discussed several scenarios in regards to persons that have positions where they are part teacher and part paraprofessional and whether they should be a member. Staff has been allowing them to be a member. The Board raised no issues and agrees that this practice complies with its policy regarding combining positions to meet membership.

What credit to give for days between jobs

Dale Kowacki, Executive Director, presented the following addition to the Creditable Service section of our Supplemental Policy:

When a member's service terminates at the end of their normal work (week, schedule, rotation, etc.), service credit will extend to, and include, the day just prior to the start of what would have been their next work (week, schedule, rotation, etc.).

The Board asked for further clarification of the wording of said policy and to bring it back to the Board for consideration at a future Board meeting.

Shall we require Early Intervention Plans for injured employees

Under section 5B (b), the early intervention plan 'shall be implemented' when a public employee has been absent from work for thirty workdays or more as a result of a work-related injury, and his return to work is not imminent. In asking Michael his advice on whether an application should proceed without an EIP, he shared that employers frequently do not fulfill their obligations in this regard, and that PERAC has yet to refuse an application submitted where the employer did not institute an early intervention plan. Michael

believes it important that EIPs are utilized, and he suggests that we give notice to the employers that we will be requiring them in the future.

The Board asked Dale Kowacki, Executive Director, to draft a letter to the towns and present it at a future Board meeting for approval.

Sequence during disability application

The Board discussed the steps in the process of a disability application and how to shorten the process. The Board recommended that a member seeking a disability retirement be informed that the process takes up to a year. In addition, the Board agreed to meet sooner than regular monthly meetings in order to move a disability application along in a timelier manner.

Interest on Military Buybacks

The board discussed the proposal to change our policy to charge regular interest on Military buybacks. The Board is in agreement to establish the policy and asked Dale Kowacki, Executive Director to draft wording of the policy and present it at a future Board meeting.

Widows to \$12,000

The Board was presented with the option to adopt sections 63, 64 and 65 of chapter 139 of the Acts of 2012 and increase the benefit paid under M.G.L. c. 32 §101 from \$9,000 to \$12,000. Susan Bobe, Assistant Director, provided the Board with information regarding the potential cost to the system. The Board had two questions for clarification. The questions being: Is the benefit capped at \$12,000 or do they receive COLA; and, if the widow remarries, does the benefit cease or continue? Staff will pursue the answers and bring this topic to a future Board meeting.

FRCOG to State Retirement

The Executive Director presented the FRCOG's plan to seek legislation to transfer to the State Retirement Board. The FRCOG is this area's "Regional Planning Agency", and what they discovered (or uncovered) is that they are the only one that is not a member unit of State Retirement. This matters because as a member unit with FRRS their retirement assessment is passed along to the area towns, whereas if they were with State, the "assessment" would be paid for with state income taxes – thus saving the area towns (\$345k in 2012).

The Board understands the issue and agrees that an actuarial calculation, by Stone Consulting, be done so that the impact can be known and accounted for in the negotiations with all concerned parties as legislation is drafted. The Board's interest is that the transfer does not impact the retirement system negatively.

New Business:

MACRS Meeting – October 2012

After a brief discussion, all the Board members opted not to attend the fall MACRS meeting.

Adjournment

On a motion made by D. Gendron and a second by H. Sanderson, the Board unanimously voted to adjourn the meeting at 10:33 a.m.

Respectfully submitted,

Dale C. Kowacki, Executive Director

Sandra A. Hanks, Chair

Herbert L. Sanderson Jr., Vice-Chair

David R. Gendron, Board Member

Mary A. Stokarski, Board Member

_____absent_____
Paul J. Mokrzecki, Board Member

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