

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
January 30, 2013

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 8:03 AM by Board Chair, Sandra Hanks with Board Members Herbert Sanderson, Paul Mokrzecki, Mary Stokarski and David Gendron present. Also present were Executive Director Dale Kowacki, Assistant Director Susan Bobe, and 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 D. Gendron and second by M. Stokarski, the Board voted unanimously to approve the minutes of the regular meeting held on December 19, 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>\$605,310.25</i>
<i>Refunds</i>	<i>31,618.65</i>
<i>Transfers</i>	<i>0.00</i>
<i>Invoices for 2012</i>	<i>64,868.45</i>
<i>Invoices for 2013</i>	<i><u>155,627.76</u></i>
<i>For a total of:</i>	<i>\$857,425.11</i>

Paul Mokrzecki arrived at 8:04

Herbert Sanderson arrived at 8:05

Cash Transfer between Investments and bank

On a motion by P. Mokrzecki and a second by D. Gendron, the Board voted unanimously to transfer \$242,000 from Seizert Capital Partners and \$300,000 from Daruma Asset Management to TDBank to cover next month's warrants.

New Members

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

<u>NAME</u>	<u>UNIT</u>	<u>DATE OF HIRE</u>
Mary Gorman	WTY	11/14/2012
Nathan Gray	BER	12/10/2012

Moon Morgan	FRG	01/03/2013
Tammy Pease	SND	12/03/2012

EXISTING MEMBERS

Lynn Hathaway	ROW	TBD (1/17/2013)
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New Retirees:

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

O'Lari, Russell – PERAC approval has been received for an Option A retirement effective 10/22/2012. Russell worked for the Town of Orange as a custodian for the police department and the school department for 19 years, 11 months.

Jablonski, Edward - PERAC approval has been received for an Option A retirement effective 2/6/2013. Edward worked for the Town of Deerfield Waste Water Treatment Plant for a total of 28 years, 1 month, ending his employment in July, 2000 and chose to defer his benefit until 2/6/2013.

Allen, Charles – PERAC approval has been received for an Accidental Disability Option C benefit effective 08/14/2011. Mr. Allen was a Highway Foreman/Mechanic/Laborer/Equipment Operator with the Town of Leverett and had 12 years of service.

Disability Retirements:

On a motion made by H. Sanderson and second by P. Mokrzecki, the Board voted unanimously, on the advice of Board Counsel, to send the following ordinary disability to PERAC for review by a medical panel:

Leonard Crossman – employed as the Chief of Police in the Town of Northfield since January 2010 with prior creditable service in FRRS since July 1999 accruing approximately 13 years, 6 months has applied for an ordinary disability retirement.

Accept Liability for Buybacks and Makeups through other Systems:

On a motion made by D. Gendron and second by M. Stokarski, the Board voted unanimously to accept liability for the following buyback through another system:

Suzanne Wells – MTRS has asked what liability FRRS would accept for service worked by this transferred, former member prior to membership. A review of records indicate that the service (February 1998 to August 2003) is divided into two parts – membership eligible, and nonmembership eligible:

February 1998 to June 1998 - Service as a long-term substitute in the position of Instructional Assistant during the period from February to June of 1998 amounts to 305.5 hours, however, FRRS regulations do not allow membership for substitute positions, and therefore FRRS will not accept liability for this service.

May 2000 to August 2003 - Service in a full time position as Instructional Assistant began in September of 1998 and continued for five school years until August 31, 2003 when the member transferred to MTRS at the start of the next school year. FRRS previously transferred the member's annuity savings to MTRS and accepted liability for 3 years, 6 months because deductions (and membership) did not start until March/May of 2000. However, with the benefit of payroll records, it was determined that the correct start date was May 1, 2000 when deductions started, therefore, the liability communicated to MTRS for this period of service should be corrected to 3 years, 4 months.

September 1998 to April 2000 - The remaining service in question is the 1 year, 8 months from the start of the school year in September 1998 to May 1, 2000 when deductions began. This person was erroneously excluded from membership during this period. Therefore, FRRS will accept liability for this time even though this person is not currently a member with FRRS.

Buybacks and Makeups:

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

Bockus, Sue – current member with the Pioneer Valley Regional School District has requested a buyback of a refund taken on November 29, 1985 from MTRS. The MTRS will accept 6 months, on a ten-month basis (7 months, 6 days on a twelve-month basis) of service for work between January 5, 1981 and June 30, 1981. The total cost of the buyback is \$1,448.40 if paid by 2/28/2013; otherwise, interest will accrue as allowed by law.

General Business:

Travel approval for MACRS meetings

On a motion by D. Gendron and a second by M. Stokarski, the Board voted unanimously to approve the attendance and travel of Board members and staff to both the June 2013 MACRS meeting on Cape Cod, and the Fall 2013 MACRS meeting.

The Board members requested that staff find out what the cost would be to attend only the Saturday training session on June 1, 2013.

Retirees' COLA

After a brief discussion the members of the Board decided to table this until the February Board meeting. It was requested that staff present a list of what other retirement systems have given for COLAs last year, and this year to date, as well as update the COLA analysis letter from 2010.

Increase Retirees' COLA Base

After a brief discussion the members of the Board decided to table this until the February Board meeting.

Invoice from Stone Consulting

After a lengthy discussion regarding the invoice from Stone Consulting and the lax performance by actuary Larry Stone the board voted the following:

On a motion by H. Sanderson and a second by M. Stokarski, the Board voted unanimously to send Stone Consulting an invoice with a response date for Dale Kowacki's, time spent keeping Larry on task, and to hold off on paying the invoice from Stone Consulting.

The members of the Board decided to discuss further action at the February meeting.

Future Actuarial Services

After a brief discussion regarding ending our relationship with Larry Stone, any decision was deferred pending the response from Larry regarding payment of the above mentioned invoice for Dale's time.

FRCOG Transfer to State Retirement

The Board discussed the pending legislation. The Board asked that Dale Kowacki, Executive Director check with State Representative Stephen Kulick as to the status of this legislation and to prepare for an Actuarial Evaluation one year earlier to eliminate one year of high assessments. Discussion regarding future allocation of 3(8)(c) costs related to current employees of the FRCOG did not reach a conclusion. A number of ideas were expressed, but none were chosen as preferred. The Board deferred any action until Dale has analyzed the issue and discussed options with the FRCOG and other related parties.

Re-visit Service Credit for School-Year employees

The Board briefly contemplated revisiting its current policy regarding "school-year" employees (see below), and decided not to, unless it comes up again at a later date.

"In the case of School Department employees whose employment requires them to work from on or about September 1st to on or about June 30th, including but not limited to cafeteria workers, clerical and secretarial staff, teacher's assistants and teaching professionals, such as therapists, said employees shall receive one month of creditable service for each full month the employee is receiving regular compensation, with ten (10) months being the equivalent of one (1) year of creditable service, based on the following conversion: the number of months worked in a ten month year is multiplied by 1.2 to yield the twelve month equivalent and the creditable service to be given. This conversion will apply in partial years worked as well, whether due to lay-off, resignation, transfer or retirement."

Board Education

As a way to organize around Chapter 32's mandate of Retirement Board Member training, (minimum of 3 credits per year, no more than 9 credits per year and a total of 18 credits per term), Patty Leveille, Administrative Assistant will be at the

Board member's service, assisting with registration and tracking of credits earned. Patty's tracking sheet for each Board member was provided and comments were appreciative. Members indicated which classes they would like to attend, which Patty will arrange. Board members also passed-in their latest course certificates.

Rate increase for legal services

The Board was presented with hourly rate increases for legal services from Board Attorney Michael Sacco. It was commented that the Board is pleased with Michael's level of service and the increase is warranted, given the long span of time since the last increase. There was no action taken by the Board on this topic.

Funded Ratios – PERAC Report

Dale Kowacki, Executive Director presented three approaches to ranking of the retirement systems' funded ratios.

Responses to "Assessments Explained"

Dale Kowacki, Executive Director prepared a report titled "Assesements Explained" and posted it on our web site in response to questions from units as to why their assessments went up this year. The Board was in agreement to a job well done as no issues were raised after the posting.

Adjournment

On a motion made by H. Sanderson and a second by M. Stokarski, the Board unanimously voted to adjourn the meeting at 9:50 a.m.

Respectfully submitted,

Dale C. Kowacki, Executive Director

THESE MINUTES WERE APPROVED ON FEBRUARY 27, 2013

Sandra A. Hanks, Chair

Herbert L. Sanderson Jr., Vice-Chair

David R. Gendron, Board Member

Mary A. Stokarski, Board Member

Paul J. Mokrzecki, Board Member

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