

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
MARCH 27, 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 8:05 AM by Board Chair, Sandra Hanks with Board Members Herbert Sanderson, Paul Mokrzecki, Mary Stokarski present. David Gendron joined the meeting at 8:43 AM. 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 M. Stokarski and second by P. Mokrzecki, the Board voted unanimously to approve the minutes of the regular meeting held on February 27, 2013.

On a motion made by P. Mokrzecki and second by M. Stokarski, the Board voted unanimously to approve the minutes of the special meeting and the accompanying executive session minutes held on March 11, 2013.

Payroll, Refunds, Transfers and Bills Warrants

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

<i>Retirees Payroll</i>	<i>\$614,407.32</i>
<i>Refunds</i>	<i>8,130.43</i>
<i>Transfers</i>	<i>54,286.41</i>
<i>Invoices</i>	<i><u>41,569.88</u></i>
<i>For a total of:</i>	<i>\$718,394.04</i>

Cash Transfer between Investments and bank

On a motion by P. Mokrzecki and a second by H. Sanderson, the Board voted unanimously to transfer \$120,000 from Seizert Capital Partners and \$250,000 from Daruma Asset Management 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:

<u>NAME</u>	<u>UNIT</u>	<u>DATE OF HIRE</u>
Diana L. Damon	DER	02/04/2013

Kevin H. Kennedy	OGE	03/25/2013
Karen Tyler	FCH	02/11/2013
James B. Cassady, Jr.	FRN	11/13/2012
Dustin A. Bernier	MOH	02/11/2013

Existing Members

Aaryn J. Aiken	MHR	02/25/2013
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New Retirees:

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

Baker, Robert – PERAC approval has been received for a Superannuation Option C benefit effective 1/5/2013. Mr. Baker served as the Superintendent of the Highway department and the Fire Chief for the Town of Conway accruing 27 years, 9 months of service of which MTRB holds 6 years and 3 months of liability. Mr. Baker taught at the Franklin County Technical School when it first opened its doors in 1976.

Scott, Donald – PERAC approval has been received for a Superannuation Option A benefit effective 1/18/2013. Mr. Scott was the Business Manager of the Frontier Regional School District. He accrued 27 years, 8 months of service of which Hampden County Retirement holds 5 years.

Wheeler, David – PERAC approval has been received for a Superannuation Option A benefit effective 1/8/2013. Mr. Wheeler was the Assistant Superintendent of the Water Department with the Shelburne Falls Fire unit. He accrued 24 years, 1 month of service.

Accept Liability for Buybacks and Makeups through other Systems:

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

Perkins, Andrew – Montague Retirement Board, on behalf of former member, requests FRRS to accept liability for creditable service of 6 years, 9 months, 15 days upon payment to the Montague Retirement Board for a refund of contributions given 6/29/2011 for service with the Frontier Regional School District between 9/11/2002 and 6/25/2009.

Pollard, Judith – Athol Retirement Board, on behalf of former member, requests FRRS to accept liability for creditable service of 3 years, 11 months, 10 days upon payment to their system for a refund of contributions taken 2/25/1999 for service with the Mahar Regional School District between 10/18/1993 and 6/25/1997.

Toth, Joyce – (formerly Klisenbauer) MTRB on behalf of this former member, requests FRRS to accept liability for creditable service of 1 year, 17 days upon payment to their system for a refund of contributions taken 5/30/1978 for service with the County Treasurer's office between 4/5/1977 and 4/21/1978.

Buybacks and Makeups:

On a motion made by H. Sanderson and second by M. Stokarski, the Board voted unanimously to approve the following buybacks:

Dubay, Jeffrey – current inactive member has requested a make-up of service for time worked in the Department of Conservation and Recreation. Earnings information was obtained from the DCR Human Resources office. The purchase of a total of 1 year, 1 month of service will cost \$1,542.37 if paid by April 30, 2013. State Retirement does not accept liability in circumstances such as these. Service dates include 40 hour work weeks for four summers between 6/14/1969 and 9/9/1972.

Pat Auchard – current member with the FRCOG would like to do a buyback of a refund taken August 27, 1980 in the amount of \$37.52 for 28 days service with Mohawk School District from February 23 to March 21, 1980. Amount of repayment is \$132.54 if paid by April 2, 2013, otherwise the interest rate will increase to 7.875% after April 2, 2013.

Major, Nancy – current member (retirement application in process) has requested a makeup of service for time worked prior to enrollment. Service between August 1992 and 8/24/1997 is 1 year, 6 months, 5 days, accrued as actual hours worked adjusted for school year service, at a cost of \$3,088.78. The member's retirement eligible position began 8/25/1997 but deductions did not start until 9/27/1997. Deductions only for this period of full time service (1 month, 3 days) are \$137.65.

Total make-up cost is \$3,226.43.

Foxmyn, Wendy – this currently inactive member was refunded deductions taken in error for service while employed as "interim town administrator" in both Leverett and Northfield. Ms. Foxmyn successfully petitioned the State Legislature and on 12/31/2012 legislation allowing creditable service for this time was passed by the house and senate, and signed by the Governor on 1/9/2013. Because the deductions were refunded to the member, she must redeposit the total amount of the refund prior to being awarded the credible service. Cost of the service, if paid by 3/31/2013 will be \$6,184.97; otherwise interest will accrue as allowed by law. Allowable service is as follows:

- 3/17/2009 – 9/27/2009 at 50% = 3 months, 6 days
- 9/28/2009 – 5/23/2010 at 80% = 6 months, 8 days
- 5/24/2010 – 9/3/2010 at 50% = 1 month, 20 days
- 11/3/2010 – 3/25/2011 at 60% = 2 months, 26 days

Total service = 1 year, 2 months

Deaths:

Bradley, Edith – option C survivor of Raymond Bradley who passed away on 08/05/2009. Mr. Bradley retired on 11/01/84 having held multiple positions in the Town of Deerfield.

DOD was 2/26/13.

Rice, Milton – option A retiree since 5/31/83, Mr. Rice worked for the Ashfield Highway Department accruing 9 years and 4 months of creditable service.

DOD was 2/22/13.

Margaret St. Pierre – option B retiree since 4/30/1992, Ms. St. Pierre was a cafeteria worker for Mohawk accruing 24 years and 5 months of creditable service.

DOD was 3/10/13.

General Business:

Leonard Crossman

The PERAC joint medical panel certificate was received by the Board on March 14, 2013 and sent to Michael Sacco for review. Attorney Sacco's report stated that it would be reasonable for the Board to accept the Panel's Certificate and narrative report and award Mr. Crossman an ordinary disability retirement.

Leonard Crossman was employed as Chief of Police in the Town of Northfield since January 2010 with prior creditable service as Police Officer in Orange and New Salem and prior service in the Gardner Retirement System for a period of approximately 12 years, 1 month and had applied for an ordinary disability retirement due to non-work related health issues.

On a motion by P.Mokrzecki and a second by M.Stokarski the Board voted unanimously to approve Mr. Crossman's ordinary disability application.

Format of New Members section of agenda

Dale Kowacki, Executive Director, presented the Board with ideas for improving the new member section of the agenda. After a brief discussion -

On a motion by M. Stokarski and a second by H. Sanderson the Board voted unanimously to approve the addition of position, and percentage of service credit to the format for the new members section of the agenda.

David Gendron arrived at 8:43

Changes to 2012 budget reallocation

On a motion made by M. Stokarski and a second by P. Mokrzecki, the board unanimously voted to rescind the original vote taken February 27, 2013, and

instead, approved a transfer in the 2012 budget to adjust for deficits from and to the following line items:

From: Health & Life	\$2,900	To: Board Stipends	\$1,700
Education & Training	\$7,000	Management Fees	\$5,000
Website	\$5,000	Custodial Fees	\$3,600
		Legal Fees	\$4,200
		Rent Expense	\$ 250
		Utilities	\$ 150

Richard Turner Request to Purchase Military service

Richard Turner current member with Franklin Regional Retirement System requested the Board to reconsider allowing him to purchase his military service credit even though it is well past the 180 day limit.

On a motion made by M. Stokarski and a second by D. Gendron the board unanimously voted to deny Mr. Turner's request to purchase his military service.

Personnel Policy

Dale Kowacki presented the following list of items regarding the personnel policy that the Board had mentioned in the past as possible areas that warrant discussion and possible modification. As noted below, some action was taken, some were dismissed, and interest in further discussion was indicated for the remainder.

1. Vacation policy regarding prior service applied to accrual calculation
 - a. Prorated or full

On a motion by P.Mokrzecki and a second by M.Stokarski the Board voted unanimously to stipulate in the personnel policy that credit for prior service granted towards the calculation of vacation benefit will be prorated using the same method used to calculate membership service.

- b. Continuous and direct to FRRS

On a motion by H. Sanderson and a second by D. Gendron the Board voted in the majority, P. Mokrzecki opposed, to stipulate in the personnel policy that prior service granted towards the calculation of vacation benefit will only be for unbroken service immediately prior to employment with FRRS.

- c. Insert provision for Board to offer only during hiring negotiations – This was discussed, but no action taken.

2. Add language about fraud to personnel policy – Yes, the Board expressed interest in discussing this further.

3. Policy on body art and appropriate business attire – Yes, the Board expressed interest in discussing this further.
4. Policy that would or would not allow a retirement system employee to buyback used sick time. – The Board declined to take any action on this idea.
5. Can spouses and dependents come back at a later date and receive insurance– Yes, the Board expressed interest in discussing this further.
6. Revisit who is responsible for the 75% share of health insurance when an employee is out on FMLA. The FMLA appears to imply that the employer continues to be responsible, however, staff will perform ten minutes of internet research to find any contradictory indications or determinations.
7. Policy regarding tax implications of the Education Reimbursement (1099 vs. W-2, etc.) – Board agreed that policy should include the proviso that tax issues would be left as the jurisdiction of the Internal Revenue Service.
8. Examine need for both probation and suspension in the disciplinary process in personnel policy – Yes, the Board expressed interest in discussing this further.
9. Health insurance for Board members – Yes, the Board expressed interest in discussing this further.
10. Health insurance after departure – This may have already been addressed. Staff will determine if that is so.
11. Policy on paying holiday pay during FMLA or other unpaid leave (also consider prorated holiday pay for part-time work). Also, look at the “Leave without pay” section. – Yes, the Board expressed interest in discussing this further.
12. Review how we do merit increases (personnel policy) – This was not discussed and so will be tabled to a future meeting.

Clear Executive Session Minutes

On a motion made by D. Gendron and a second by M. Stokarski, the Board unanimously voted to redact pertinent medical information, as per advice from Board Counsel, Michael Sacco, and release the minutes of the Executive Session meeting held on October 10, 2012.

Actuarial Services

Dale Kowacki, Executive Director presented the Board with the “Request for Proposals for Actuarial Consulting Services” for April 1, 2013. The process has been arranged to interview candidates at the April 24, 2013 Board meeting. The Board expects to award the bid by May 1, 2013 and finalize the agreement by

May 22, 2013. Dale also went over the criteria to be used to evaluate the proposals.

Ajournment

On a motion made by D. Gendron and a second by H. Sanderson, the Board unanimously voted to adjourn the meeting at 10:37 a.m.

Respectfully submitted,

Dale C. Kowacki, Executive Director

THESE MINUTES WERE APPROVED ON APRIL 24, 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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