

FRANKLIN REGIONAL RETIREMENT SYSTEM  
BOARD MEETING MINUTES  
APRIL 24, 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 8:00 AM by Board Chair, Sandra Hanks with Board Members 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 M. Stokarski and second by D. Gendron, the Board voted unanimously to approve the minutes of the regular meeting held on March 27, 2013.*

**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>\$601,795.44</i>
<i>Refunds</i>	<i>39,813.93</i>
<i>Transfers</i>	<i>0.00</i>
<i>Invoices</i>	<i><u>108,021.08</u></i>
<i>For a total of:</i>	<i>\$749,630.45</i>

**Cash Transfer between Investments and bank**

*On a motion by D. Gendron and a second by M. Stokarski, the Board voted unanimously to transfer \$410,000 from Daruma Asset Management to TDBank to cover next month's warrants.*

**Visitors, and . . .**

Richard Turner, current member with the Town of Ashfield asked the Board to allow him to purchase his military time even though it is well past the 180 day time limit. It was discovered that Mr. Turner may have time to purchase from 1983 forward when he worked on a part-time basis for the Town of Ashfield plowing snow and summer help. The Board asked Mr. Turner to supply payroll records for the time in question. The FRRS staff will ask the Ashfield Treasurer for payroll records for this time too. The Board took no action on Mr. Turner's request to be allowed to purchase the military time.

**New Members**

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

**New Members**

Larry Delaney	WCK	11/22/2012	Highway Dept	100%
Lynda Hodsdon Mayo	GIL	02/21/2013	Assessor's Clerk	50%
Debra A. Kmetz	SDW	04/01/2013	Office Clerk	50%
Darleen LeGrand	OGE	03/18/2013	Town Acct	100%
Amanda Majewski-Winn	CON	04/08/2013	Town Admin	100%
Melissa M. Plesnar	MOH	08/28/2012	Paraprofessional	100%
Shannon Wissman-Hoar	FRN	03/18/2013	Aide	90%

**Existing Members**

Melissa M. Finn	MOH	8/27/2012	Paraprofessional	100%
Robert Moczulewski	DER	02/11/2013	Out of School Time	45%
Brian J. Ravish	DER	04/01/2013	Police Officer	100%

**Transfers-in**

Kristin A. Pisano (MTRB-pre 4/1/12)	DER	03/18/2013	Instruc.Assist	100%
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**New Retirees:**

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

Marble, Janice – PERAC approval has been received for a Superannuation Option A benefit effective 1/31/2013. Ms. Marble was a group 1 member serving the Town of Orange in the elementary school system accruing 11 years of creditable service.

**Buybacks and Makeups:**

*On a motion made by D. Gendron and second by M. Stokarski, the Board voted unanimously to approve the following buybacks with the exception of Jeffrey Dubai (hold until payroll information can be collected):*

Craven, Debra – current member with the Franklin Regional Retirement System has requested a makeup of service for time worked with the Town of Conway as a call fire-fighter and custodian of the Town Hall from 1993 to 10/13/2008 prior to membership eligibility. Service is based on actual hours worked for a total of 2 years, 8 months, 19 days at a cost of \$6,220.94 if paid by May 31, 2013; otherwise interest will accrue as allowed by law.

Whelan, Grace – current member in the Town of Orange has asked for a make-up of service for non-membership time and time when she was erroneously omitted from membership.

10/1999-09/21/2003 part-time sped aide – 1 year, 4 months, (2,598.79 hours) – non membership, with interest.

09/22/2003-05/28/2007 sped aide - full time service – 3 years, 15 days on a 12-month basis – should have been a member, no interest until 5/31/2013.

Total service allowable 4 years, 4 months, 15 days. Total cost of make-up, if paid by May 31, 2013 is \$5,611.81; otherwise interest will accrue as allowed by law.

Frentzos, Deborah – current member in FRRS had asked for and was approved for a make-up at the February 2013 board meeting for time worked prior to enrollment. Since then, additional hours have been verified by newly found additional payroll records. Additional allowable time is 19 days (hour-for-hour) for the same period of service between 2/7/2000 and 9/10/2000. Total cost is \$147.44 if paid by May 31, 2013 otherwise interest will accrue as allowed by law.

Paciorek, Jr., John – current member in the Town of Deerfield asked for a buyback of service refunded for 4 summers working at the Tri-Town Beach in Deerfield. Dates of service and refund date as noted below. Total allowable service calculated as actual hours worked, based on 2 x the Massachusetts minimum wage, is 7 months, 18 days at a total cost of \$1,721.10 if paid by 5/31/2013, calculated at the buyback interest rate.

<u>Service Dates</u>	<u>Refund Date</u>	
7/1/92-8/30/92	01/21/93	\$299.00
7/1/91-8/30/91	11/30/93	\$890.83
7/1/93-8/30/93	11/30/93	included in above
7/3/94-9/2/94	10/31/94	\$531.27
		\$1,721.10

Pat Auchard – current member with the FRCOG would like to do a makeup of excluded membership service in the amount of \$64.83 for 1 month, 16 days service with Mohawk School District from January 8 to February 21, 1980. This person started work in a 40 hour per week position but deductions did not start until the week of March 24, 1980, and because this person should have been a member, interest is waived up to the date of discovery on March 1, 2013, after which interest has been calculated at the “Buyback” rate. Amount of repayment is \$64.83 if paid by May 31, 2013, otherwise the interest rate will accrue as allowed by law.

**General Business:**

**Annual Report**

The three Board members present signed the annual report. Upon obtaining signatures of the two other Board members, the annual report will be ready to submit to PERAC.

**Corrected service to MTRB – Joan Baldwin**

A portion of the transfer to MTRS in 2003 for Joan Baldwin of service from 1991 to 1999 seemed too high for the amount of deductions received. Review of the

member's enrollment form, and actual deductions received, clearly shows the position hired for was of a temporary basis as a substitute teacher. The daily rate of \$50/day for substitutes was used to determine actual number of days worked resulting in total creditable service of 3 years, 6 months, 2 days (originally 5 years, 7 months). Included in the same transfer to MTRS was a make-up of service for 1/1/1973-12/31/1975 (3 months) but it was calculated incorrectly. The number of days worked, times the number of hours per day, was used to determine the total number of hours worked, resulting in a revised amount of creditable service of 4 months, 7 days. The net reduction in service for these corrections totals 1 year, 11 months, 20 days, reducing the total transfer from 10 years, 3 months 7 days to 8 years, 3 months, 17 days.

*On a motion by D. Gendron and a second by M. Stokarski, the Board voted unanimously to revise the transfer of total creditable service to MTRS for Joan Baldwin to 8 years, 3 months, 17 days for service from 1973 to 2004.*

#### Deferred Comp changeover from FRCOG

Susan Bobe, Assistant Director presented information regarding the 457 deferred compensation plan offered to employees of FRRS. Contributions withheld from earnings are presently sent to Nationwide under the FRCOG's plan number. It was suggested that the Board set up a distinct plan for FRRS to include a Roth IRA option and a loan option.

*On a motion made by D. Gendron and a second by M. Stokarski, the Board voted unanimously to set up a deferred compensation plan distinct to FRRS to include a Roth IRA option and a loan option.*

#### Hand out Investment Objectives

Dale Kowacki, Executive Director handed out copies of the Investment Objectives for the Board to review in preparation for the May meeting when refinements will be considered and discussed.

#### Interview Actuaries

The Board interviewed the following 4 Actuaries:

8:30 – **Linda Bournival**, KMS Actuaries

9:00 – **Kathy Riely**, Segal

9:30 – **Dan Sherman**, Sherman Actuarial Services

10:00 – **Larry Stone**, Stone Consulting

*On a motion made by D. Gendron and a second by M. Stokarski, the Board voted unanimously to contract with Linda Bournival, KMS Actuaries, pending reference checks, to provide actuarial services to the retirement system.*

## **New Business**

Leonard Crossman – Possibly impacted by MGL Ch. 32 §5(2)e

Leonard Crossman, Police Chief, Town of Northfield, submitted an application for an Ordinary disability retirement. The Board approved his application March 27, 2013. Upon review of payroll records received from the Town of Gardner, it was noted that Mr. Crossman ended his employment with Gardner 1/12/2010. His hire date with the Town of Northfield was 1/11/2010, causing him to have 2 concurrent days of service (dual member of different systems).

A member must have ten-years of creditable service to apply for an Ordinary disability retirement. Prior to the discovery, FRRS, combined with Gardner service, gave him 12 years, 1 month of service. If the two-day overlap is correct, then Mr. Crossman will not be eligible for retirement because he will not have 10 years (or more) service – he will have 3 with one, and 8 with the other.

It is Attorney Sacco's opinion the intent of the law is clear and the provisions of Section 5(2)e should be enforced. However, because of the unusual circumstances, he suggested PERAC be consulted.

Initial reaction from PERAC was, "In the case of these "incidental overlaps" in regular compensation during job transition periods, and generally the result of buyouts, etc. we have as a policy not find these to be within the scope and intent of the law."

Director Kowacki emailed support to PERAC in granting leniency in regards to this situation, and he suggested FRRS might propose legislation to permanently rectify the problem.

The situation had been explained to Mr. Crossman, to which he responded that he can provide documentation that in spite of the dates of his contract with Northfield, he did not start working there until after he finished in Gardner.

The Board discussed the situation and requested that the staff obtain additional information from Leonard Crossman and present it at the May 29, 2013 meeting. The Board asked that Mr. Crossman provide his daily logs as well as dispatch logs and minutes of The Board of Selectman meetings with the Town of Northfield in regards to Len's appointment and his first day on the job. In addition, the Board asked Dale Kowacki, Executive Director to draft an amendment to the law, to present to our local legislators that would exclude overlaps of less than 3 months.

**Ajournment**

*On a motion made by D. Gendron and a second by M. Stokarski, the Board unanimously voted to adjourn the meeting at 10:55 a.m.*

Respectfully submitted,

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Dale C. Kowacki, Executive Director

THESE MINUTES WERE APPROVED ON MAY 29, 2013

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Sandra A. Hanks, Chair

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Herbert L. Sanderson Jr., Vice-Chair

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David R. Gendron, Board Member

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Mary A. Stokarski, Board Member

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Paul J. Mokrzecki, Board Member