

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
MAY 29, 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 8:02 AM by Board Chair, Sandra Hanks with Board Members Herbert Sanderson and David Gendron present. Paul Mokrzecki joined the meeting at 8:04 AM. Also present were Executive Director Dale Kowacki, Assistant Director Susan Bobe, and Member Services Accountant Deb Frenzoz. Greg McNeillie, Vice Chairman, and Seth M. Lynn, Senior Consultant, with Dahab Associates joined the meeting at 8:20 AM.

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 S. Hanks, the Board voted unanimously to approve the minutes of the regular meeting held on April 24, 2013.

Paul Mokrzecki arrived at 8:04

Payroll, Refunds, Transfers and Bills Warrants

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

<i>Retirees Payroll</i>	<i>\$626,368.65</i>
<i>Refunds</i>	<i>65,426.43</i>
<i>Transfers</i>	<i>163,509.73</i>
<i>Invoices</i>	<i><u>36,315.55</u></i>
<i>For a total of:</i>	<i>\$891,620.36</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 \$300,000 from O'Shaughnessy Asset Management and \$190,000 from Seizert Capital Partners to TDBank to cover next month's warrants.

New Members

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

New Members

Andrew R. Boyden	NTD	05/13/2013	Highway Laborer	100%
Christopher A. Cole	LEV	04/11/2013	Asst. Custodian	100%
Courtney E. Dowd	DER	04/22/2013	Instruc. Asst.	100%

Patrick J. Fenton	FCH	05/07/2013	IT Specialist	50%
Hiliary A. Graves	FCH	04/16/2013	Leased Hsing Rep	100%
Sara A. Jordan	OGE	04/08/2013	Firefighter/EMT	100%
Steven R. Rice	BUC	04/16/2013	Highway Laborer	100%
David A Shoemaker	NEW/WCK	03/18/2013	Police Chief	100%

New Retirees:

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

Cote, Donna – PERAC approval has been received to retire Donna Cote for a Superannuation, Option C retirement allowance. Her last day of work was April 4, 2012 and her retirement benefit will begin on May 1, 2013. Ms. Cote was a group 1 member serving the Franklin County Regional Housing and Redevelopment Authority, accruing 27 years, 1 month, 29 days of creditable service. In addition, Ms. Cote accrued 5 years, 9 months, 12 days of creditable service as a member of the Greenfield Retirement System. Total creditable service is 32 years, 11 months.

Hunter, Bruce – PERAC approval has been received to retire Bruce Hunter for a Superannuation Option C retirement. His last day of work was February 21, 2013 and his retirement benefit will begin on February 22, 2013. Mr. Hunter was a group 1 member serving the Franklin County Regional Housing Authority as Assistant Director of Community Development, and elected Water Commissioner for the South Deerfield Water Supply. He accrued a total of 17 years 11 months of service.

Major, Nancy – PERAC approval has been received to retire Nancy Major for a Superannuation Option A retirement. Her last day of work was February 5, 2013 and her retirement benefit begins on February 12, 2013. Ms. Major was a group 1 member serving the Town of Orange as a cafeteria worker in the Elementary School. She accrued 15 years, 5 months of creditable service.

Pichette, Curtis - PERAC approval has been received to retire Curtis Pichette for a Superannuation, Option B retirement allowance. His last day of work was March 29, 2013 and his retirement benefit will begin on March 30, 2013. Mr. Pichette was a group 1 member serving the Town of Ashfield in the Highway Department, accruing 26 years, 5 months of creditable service.

Scranton, Duane - PERAC approval has been received to retire Duane Scranton for a Superannuation, Option A retirement allowance. His last day of work was May 3, 2010 and his retirement benefit will begin on May 1, 2013. Mr. Scranton was a group 1 member serving the Town of Colrain as a selectman, accruing 38 years, 5 months of creditable service.

Warger, Robert, - PERAC approval has been received to retire Robert Warger for a Superannuation, Option B retirement allowance. His last day of work was March 1, 2013 and his retirement benefit will begin on March 2, 2013. Mr.

Warger was a group 4 member serving the Town of Deerfield as a police officer accruing 32 years of creditable service.

Accept Liability for Buybacks and Makeups through other Systems:

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

Arruda, Laura – former member, now in the Montague Retirement System, has asked FRRS to accept liability for service upon redeposit of a refund taken on 12/31/2006 in the amount of \$6,864.63. Allowable creditable service is 2 years, 8 months, 24 days for service between 10/15/2002 and 7/8/2005 as the Assessor's Clerk, Town of Ashfield.

Mathey, Rosemary – MTRS has asked FRRS about service liability for Ms. Mathey. She started as a replacement teacher's aide on October 28, 1985 in the Erving School and worked through 6/30/1987 but was never enrolled in this system. FRRS membership eligibility rules suggest that she should have been a member and thus the liability may be accepted as requested by MTRS for 1 year, 9 months, 20 days full creditable service, 12 months for 10 months of school service.

Ellis (Marchefka), Dianne – former member, now in the MTRS, has asked FRRS to accept liability for service upon redeposit of a refund taken on 6/30/1992 for \$5,299.17. She was employed by the Franklin Regional Housing and Redevelopment Authority with deductions starting 2/25/1988 through her resignation on 8/28/1991 for a total of 3 years, 6 months, 4 days of creditable service.

Buybacks and Makeups:

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

Torres, Rebecca – current member with the Franklin Regional Retirement System has requested a makeup of service for time worked with the Town of Shutesbury as an elected Selectboard member from 7/1/2001 to 3/4/2009. Total service allowed is 7 years, 8 months, 4 days at a cost of \$1,575.19 if paid by June 30, 2013; otherwise interest will accrue as allowed by law.

Delaney, Larry – current member in the Town of Warwick, has requested a make-up of service from his hire date of 5/7/2012 to his enrollment date of 11/22/2012. Because the delay of enrollment was due to administrative error the cost of the make-up will be for deductions only until July 1, 2013 and then interest will begin to accrue on the full balance. Cost of deductions only (9%+2%) is \$1,678.53 for 6 months, 15 days of service.

Hutkoski, Carolyn – current member in the Town of Whately has requested a makeup of service for time worked from 4/1987 – 6/1988 as a substitute accruing 669.50 hours. Total service allowed on an hour for hour basis converted to 12

months is 4 months, 29 days, at a cost of \$365.66 if paid by June 30, 2013 - otherwise interest will accrue as allowed by law.

Leos-Urbel, Amy - inactive member of this system is requesting a makeup of service for time worked prior to enrollment through the FRCOG. Amy was hired under a grant option in 1988 and was not enrolled in the system until 7/1/1991 although it appears to be a clerical error. Supplemental Regulations at the time allowed grant funded positions and required those earning \$2,000 per year to be members. Payroll records have been obtained for all service. Full creditable service is allowable for a total of 3 years, 2 months, 3 days at a cost of deductions only, \$4,984.89 if paid by June 30, 2013 otherwise interest will accrue as allowed by law.

Turner, Richard – current member in the Town of Ashfield, has requested a make-up of creditable service for work performed prior to enrollment in 2003. Mr. Turner worked for the highway department as an on-call seasonal employee accruing 2,002.5 hours documented by payroll records beginning 12/12/1992 through 12/31/2000. FRRS Supplemental Regulations in 1992 mandated all employees earning compensation become members of the system. Due to administrative error, this member was not enrolled and therefore should be given the opportunity to purchase this service for deductions only. Total creditable service is 1 year, 10 days for \$1,876.87 if paid by 6/30/2013 otherwise interest will accrue as allowed by law.

Blanchard, Lori –Ms. Blanchard had been approved for a make-up of service for time worked in the Town of Royalston as Treasurer from April 1998 to June 2000 and as Town Accountant from March 2003 to August 2007. However, while processing the transfer of her account to the Town of Maynard, it was realized that the amount of service approved was incorrect for two reasons – her service as treasurer was tallied as part-time but should have been full-time because it was an elected position; and, her service as the accountant in Royalston overlapped with service she was already receiving in Orange. The net effect of these two corrections increases the service to 3 years, 2 months, 12 days (was 2 years, 19 days). In addition, she will be refunded for the amount related to the overlap in service.

Deaths:

Bell, David – accidental disability option B retiree since 11/5/1993, Mr. Bell was the chief of police in Deerfield accruing 13 years, 1 month of creditable service. DOD was 4/23/2013. His widow, Elizabeth, will be receiving Chapter 32 §101 benefits in the amount of \$9,000 annually.

Szymanski, John - option B retiree since 3/31/1987, Mr. Szymanski worked for the South Deerfield Water Supply District and the Town of South Deerfield highway department accruing 33 years, 5 months of creditable service. DOD was 4/30/13.

General Business:

Follow-up report on Dual Calc issue re: retiring member

Leonard Crossman, Police Chief, Town of Northfield, submitted an application for an Ordinary disability retirement. The Board approved his application March 27, 2013. Upon initial 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), which violates MGL C. 32, §5(2)e.

Upon reviewing the requested documentation (Mr. Crossman's daily logs, dispatch logs and minutes of The Board of Selectman meetings) it became clear that Mr. Crossman **did not have** 2 concurrent days of service. Detailed payroll records show that Mr. Crossman's last day worked (and paid) in Gardner was 1/12/2010. Daily logs, dispatch logs and minutes of The Board of Selectman meetings with the Town of Northfield all confirm that Mr. Crossman's first day he actually worked (and paid) was 1/13/2010.

As a result, the final calculation for Mr. Crossman will be sent to PERAC for approval as soon as we receive clarification from Gardner on payments received for the Quinn bill and Holiday pay.

After a brief discussion, the award of an Ordinary disability retirement for Mr. Crossman will proceed. No further action by the Board is necessary.

Legislative Proposal to modify Dual Calc Law

Dale Kowacki, Executive Director, presented the Board with an amendment to the dual calculation law to present to PERAC and our legislators. The legislative proposal would be simple – add the following to the end of that section of law:

"or where the concurrent compensation occurs while the member is transitioning from system-to-system and the concurrent period does not exceed 3 months."

The full result would read like this:

M.G.L. Ch. 32 § 5(2)(e) - A person who has been a member of 2 or more systems and who, on or after January 1, 2010, has received regular compensation from 2 or more governmental units concurrently shall, upon retirement, receive a superannuation retirement allowance to become effective on the date of retirement that is equal to the sum of the benefits calculated pursuant to this section as though the member were retiring solely from each system; provided, however, that notwithstanding paragraph (c) of subdivision (8) of section 3, each system shall pay the superannuation retirement allowance attributable to membership in that system to the member; and provided further, that this section shall not apply to any member who has vested in 2 or more systems as of January 1, 2010, *or where the concurrent compensation occurs while the member is transitioning from system-to-system and the concurrent period does not exceed 3 months.*

On a motion made by D. Gendron and a second by P. Mokrzecki, the board unanimously voted to proceed with and present the suggested amendment to the dual calculation law (M.G.L. Ch. 32 § 5(2)(e)), to PERAC and our legislators.

Quarterly Investment Managers

Greg McNeillie, Vice Chairman, and Seth M. Lynn, Senior Consultant, both from DAHAB joined the meeting at 8:30 and reviewed the first quarter returns for the investment portfolio.

Chris Loveless, President and COO and Chris Meredith, CFA, Senior Portfolio Manager, Director of Research and Portfolio Management both from O’Shaughnessy Asset Management joined the meeting at 9:08. Mr. Loveless and Mr. Meredith gave a performance update, discussed staffing changes, and confirmed that the large-cap focus of the fund remains the same.

Markio Gordon, Founder and CEO and CIO; and David Gerber, President and COO both from Daruma joined the meeting at 9:35. Ms. Gordon and Mr. Gerber gave a performance update, discussed staffing changes, and confirmed that the small-cap focus of the fund remains the same.

Ajournment

On a motion made by H. Sanderson and a second by P. Mokrzecki, the Board unanimously voted to adjourn the meeting at 10:41 a.m.

Respectfully submitted,

Dale C. Kowacki, Executive Director

THESE MINUTES WERE APPROVED ON JUNE 26, 2013

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