

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
JULY 31, 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 8:04 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

A majority of the Board Members that were present at the June 26, 2013 meeting were not available at the present meeting to vote approval of the minutes, so the minutes for the June 26, 2013 meeting will be presented again at the next Board Meeting.

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:

Retirees Payroll	\$619,674.03
Refunds	7,508.18
Transfers	28,671.04
Invoices	<u>159,169.41</u>
For a total of:	\$815,022.66

Cash Transfer between Investments and bank

On a motion by D. Gendron and a second by M. Stokarski, the Board, on the advice of its investment consultant voted unanimously to transfer from TD Bank \$2,800,000 to PRIT Core Fund, and \$400,000 to Polen Capital Management as a result of \$3,200,000 in excess cash from assessment payments.

Membership

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

New Members

Charlene J. Deam	OGE	07/01/2013	Library Asst	60%
Anitra C. Ford	FCH	07/15/2013	Housing Coun.	50%
Molly A. Lane	ROW	07/06/2013	Library Dir.	50%
Robert J. Lauwers	FCH	07/08/2013	Leased Housing Rep	100%
Wendy A. Masiuk	STB	07/01/2013	Sergeant	100%

Luke R. Pantermehl	ASH	05/22/2013	Driver/Laborer	100%
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Existing Members

Timothy J. Budrewicz	SHB	07/01/2013	Patrolman	100%
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Retirees:

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

Crossman, Leonard – PERAC approval has been received to retire Leonard Crossman for an Ordinary Disability Option B retirement allowance effective January 10, 2103. Mr. Crossman was a group 4 member serving the Town of Northfield as Police Chief. Mr. Crossman also had time with the Worcester Regional Retirement Board and the Gardner Retirement Board accruing a total of 12 years, 1 month of creditable service. Mr. Crossman’s disability retirement allowance will begin once he resigns from his position in Athol.

Buybacks and Makeups:

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

Canon, Lydia W. – current member with the Franklin Regional Retirement System has requested a make-up of service for work in the Hawlemont School District prior to enrollment in the system. Service is from September 1989 through September 18, 1991. Allowable service is actual hours worked equal to 5 months at a cost of \$1,060.97 if paid by August 31, 2013; otherwise the interest will accrue as allowed by law. Ms. Canon has submitted an application for retirement effective 6/30/2013.

Hodsdon Mayo, Lynda – current member with the Town of Gill has requested a buyback of a refund taken on 10/27/1992 for \$556.28 in deductions for service in the Warwick Elementary School between 9/16/1991 and 4/9/1992. Her position was a full-time aide and allowable service is 8 months, 5 days on a 12 month basis. Cost of the buyback is \$1,248.10 if paid in full by 8/30/2013 otherwise interest will accrue as allowed by law.

Lynda has also requested a make-up of two periods of service prior to membership. It was realized this past February that Lynda should have been made a member when she started as the Assessors’ Clerk on July 25, 2005 with the Town of Gill. Prior to, and up to the present, Lynda was the elected Town Clerk for the Town of Gill, for which she had the choice whether to be a member with our system or not.

1. Town Clerk - Lynda would like to purchase her elected service as the Gill Town Clerk from her elected date of 5/19/2003 up to the date she started her service as the Gill Assessor’s Clerk. Total service is 2 years, 2 months, 6 days at a cost of \$2,227.40 (\$1,593.88 in deductions, \$633.53

in interest) if paid by 8/30/2013; otherwise interest will accrue as allowed by law.

2. Assessors' Clerk - Lynda would also like to purchase her appointed service as the Assessors' Clerk from 7/25/2005 to her membership date of 2/21/2013. Total service is 7 years, 6 months, 26 days at a cost of \$10,270.12 (deductions only, no interest because she was erroneously excluded from membership). Interest will begin to accrue on September 1, 2013.

Deaths:

Baker, Eleanor M. – option B retiree since 10/31/1986, Mrs. Baker was secretary to the superintendent of the Mohawk Regional School District, accruing 20 years, 7 months of creditable service. DOD was 7/12/2013.

Goodell Sr., Robert B – option A retiree since 1/3/1978, Mr. Goodell was the road superintendent and Assessor for the town of Colrain, accruing 26 years of creditable service. DOD was 6/30/2013.

Kirkwood, Jane M. – died on July 16, 2013 at the age of 86. Jane was the option C survivor of William Kirkwood who retired from the County Jail on August 31, 1980 where he worked as Guard, Senior Correctional Officer, and finally Assistant Deputy Master for 33 years total starting on June 29, 1947. William died on July 18, 1988 at the age of 62.

General Business:

Appoint Assistant Treasurer/Vice Chairman

Dale Kowacki, Executive Director presented the Board with suggestions to reorganize the Board due to the departure of Herb. Dale suggested that the Board vote to designate the “Second Member” as the Assistant Treasurer, and suggested the Board vote to designate someone else on the Board to be Vice Chair.

On a motion made by M. Stokarski and a second by D. Gendron, the Board unanimously voted to designate the Appointed Member of the Advisory Council (Second Member) to the Board as the Assistant Treasurer.

On a motion made by M. Stokarski and a second by S. Hanks, the Board unanimously voted David Gendron as Vice Chair.

Should we now require ALL retirees to Direct Deposit

The Board discussed requiring all retirees (past and present) be required to receive their monthly benefit via direct deposit. Susan Bobe, Assistant Director, was asked to write a letter to those retirees that receive checks requiring they direct deposit their monthly benefit by January 1, 2014. Upon approval of the letter by Board Chair, Sandra Hanks, the letter requiring direct deposit will be included with the August monthly benefit check.

On a motion made by D. Gendron and a second by M. Stokarski, the Board unanimously voted to require all retirees to receive their monthly benefit via direct deposit effective January 1, 2014.

In addition the Board requested that staff check to see if we are required to furnish retirees with a "Notice of Deposit" each month. If not, the Board requested that the staff put a note on the next Notice of Deposit stating: "Notices of Deposit will no longer be sent unless the retiree calls to request one."

Timing of payment of Board Stipend

The Board reviewed and discussed the timing of the payment of Board Stipends. Currently, the Board is being paid for the month at the start of the month.

On a motion made by D. Gendron and a second by M. Stokarski, the Board unanimously voted to pay the monthly Board Stipend after the end of the month beginning with the August stipend.

Electronic, or Paper, Investment reports

When the investment managers come to visit they send us presentation materials that have plastic covers and bindings that can't be recycled as easily as paper. Staff doesn't like processing all the trash every time, and wonder if we can discuss alternatives. A favorite option is to ask the managers to send paper only and eliminate the plastic – that way we can just drop them into recycling when the meeting is over. Another idea would be to get computer tablets for each of the Board members and load them with meeting materials each month.

On a motion made by M. Stokarski and a second by D. Gendron, the Board unanimously voted to ask the investment managers to send their presentation materials paper only and eliminate the plastic.

In addition the Board requested staff begin to experiment with the use of computer tablets.

Liability for non-membership service and "erroneous exclusion"

FRRS receives many requests from Massachusetts Teacher's Retirement System in regard to accepting liability for what we call 'non-membership service.' This is service for which no funds were ever received yet work was performed in a participating unit. We would like the Board to consider their position on the acceptance of such liability based on 'administrative error or erroneous exclusion'.

Current Board policy mandates that only current members may purchase the service unless the member was erroneously excluded (i.e. administrative error) and then the Board will accept the liability even if the member is no longer in FRRS.

The following request from MTRS asking FRRS if it will accept liability was presented to the Board as a makeup:

Janet Ducharme was a Title 1 Aide in New Salem/Wendell, working 30 hours per week from 9/19/1975-4/16/1976. Following that, they were a Title 1 Aide in Shutesbury, working 35 hours per week, from 9/8/1976-4/15/1977.

A motion was made by D. Gendron and a second by M. Stokarski, to deny acceptance of the liability on the above service, however, upon further discussion, the above motion was withdrawn by D.Gendron and a second by M. Stokarski.

After additional review of the Board’s policy regarding non-membership service liability requests from other Boards, the Board voted to change its policy as follows.

On a motion by D. Gendron and a second by M. Stokarski, the Board unanimously voted to accept the following revision to the Buybacks and Makeups section of the Supplemental Policy as written below.

“Individuals who are not current members of the system will not be allowed to buy back creditable service for time the individual was employed by a member unit **but not eligible regardless of eligibility** for membership in the Franklin Regional Retirement System.”

It was noted that a request for non-membership service liability can always be presented to the Board for a case-by-case review.

Ajournment

On a motion made by D. Gendron and a second by M. Stokarski, the Board unanimously voted to adjourn the meeting at 9:42 a.m.

Respectfully submitted,

THESE MINUTES WERE APPROVED ON AUGUST 28, 2013

Dale C. Kowacki, Executive Director

Sandra A. Hanks, Chair and Treasurer

Absent
Paula J. Light, Council Member

David R. Gendron, Vice Chair

Mary A. Stokarski, Board Member

Absent
Paul J. Mokrzecki, Board Member

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