

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
SEPTEMBER 25, 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 8:10 AM by Board Chair, Sandra Hanks with Board Members Paula Light, 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 P. Light, the Board voted unanimously to approve the minutes of the regular meeting held on August 28, 2013.

Payroll, Refunds, Transfers and Bills Warrants

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

Retirees Payroll	\$625,610.40
Refunds	40,445.98
Transfers	11,610.13
Invoices	<u>23,957.60</u>
For a total of:	\$701,624.11

Cash Transfer between Investments and bank

On a motion made by D. Gendron and a second by M. Stokarski, the Board, voted unanimously to transfer \$167,000 from Daurma Asset Management, \$167,000 from O'Shaughnessy Asset Management and \$166,000 from Seizert Capital Partners to TDBank to cover next month's warrants.

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

Ashlee L. Bass	MHR	08/26/2013	Title I Para	100
Heather M. Blanchard	PNR	08/28/2013	Paraprofessional	90
Teresa L. Brunault	SND	08/26/2013	Cafeteria Worker	80
Kristin M. Cheney	DER	08/27/2013	Site Coordinator-OSTP	80
Lynn A. Cournoyer	FCH	09/03/2013	Administrative Assistant	100
Lauren M. Dagrosa	DER	08/28/2013	Instructional Assistant	100

Jennifer R. Day	MOH	TBD	Head Custodian	100
Kelly E. Drew	SND	08/28/2013	Instructional Assistant	100
Rochelle B. Griffin	SND	08/28/2013	Instructional Assistant	100
Katrin K. Griswold	SND	08/28/2013	Instructional Assistant	100
Antti R. Kaisla	STB	08/26/2013	Paraprofessional	TBD
David L. Kozma	BER	08/29/2013	Transfer Station Attendant	50
Jennifer L. LaBonte	DER	07/29/2013	School Secretary	100
Ashton J. Lutenegger	CON	08/29/2013	Instructional Assistant	100
Michael J. McLellan	MHR	08/26/2013	SPED Paraprofessional	100
Linda A. Mitchkoski	DER	08/28/2013	Cafeteria Manager	100
Jaime M. Parse	PNR	08/28/2013	Paraprofessional	90
Christopher R. Savinski	BER	TBD	Police Officer	100
Joseph C. Sobieski	LEV	07/31/2013	School Custodian	80
Lynn M. Taylor	ASH	07/01/2013	Asst. Municipal Clerk	TBD
Lauren J. Thomas-Paquin	STB	08/26/2013	Paraprofessional	TBD
Wendy R. Upham	ERV	09/16/2013	Paraprofessional	100
Tracey A. Welcome	PNR	08/28/2013	SPED Paraprofessional	90
Nadine M. Willey	PNR	08/28/2013	Paraprofessional	90
Sarah E. Winston	DER	08/28/2013	Instructional Assistant	100
Alexander P. Yelle	PNR	08/28/2013	Paraprofessional	90

Existing Members

Gail Beauregard	STB	08/21/2013	Food Service Director	TBD
Joeseph P. Camden	WCK	07/15/2013	Officer	0
Timothy O. Guy	FRN	08/28/2013	Instructional Assistant	80
Mary E. Mulcahy	DER	08/27/2013	Cafeteria Assistant	80
Lauren E. Preston-Wells	FRN	08/28/2013	Paraprofessional	90
Kathleen A. Simmons	WTY	08/22/2013	Food Service	100

Retirees:

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

Duncan, Beverly – PERAC approval has been received to retire Beverly Duncan for a Superannuation Option A retirement allowance. Her last day of work was June 20, 2013 and her retirement benefit will begin on July 1, 2013. Ms. Duncan was a group 1 member serving the Mohawk Trail Regional School District as a paraprofessional, accruing 12 years, 7 months of creditable service.

Kaepfel, Bruce – PERAC approval has been received to retire Bruce Kaepfel for a Superannuation Option C retirement allowance. His last day of work was June 15, 2013 and his retirement benefit will begin on June 16, 2013. Mr. Kaepfel was a group 1 member serving the Towns of Leyden and Shelburne as an elected Assessor. Mr. Kaepfel also had time with the Massachusetts Teachers' Retirement System accruing a total of 20 years, 11 months of creditable service.

Spencer, Roxanne – PERAC approval has been received to retire Roxanne Spencer for a Superannuation Option A retirement allowance. Her last day of work was June 20, 2013 and her retirement benefit will begin on June 30, 2013. Ms. Spencer was a group 1 member serving the Mohawk Trail

Regional School District as a paraprofessional, accruing 28 years, 11 months of creditable service.

Burke, Carol – PERAC approval has been received to retire Carol Burke for a Superannuation Option C retirement allowance. Her last day of work was June 30, 2013 and her retirement benefit will begin on July 1, 2013. Ms. Burke was a group 1 member serving the Town of Sunderland as a paraprofessional in the elementary school system accruing 15 years of creditable service.

Disability Retirements:

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

Turner, Richard – application received and reviewed by board's counsel, Michael Sacco, who opines that Mr. Turner must have accrued 10 years' service prior to his injury in order to satisfy the 10-year requirement of Section 6. However, PERAC opined that Mr. Turner could purchase prior service when he should have been a member but due to administrative error was excluded from membership. Barring the question regarding the 10 years, Michael Sacco opined that Mr. Turner has provided evidence to support his request to seek an Ordinary Disability. A vote is needed by the board to either accept the application and convene a medical panel or deny the application.

Accept Liability for Buybacks and Makeups through other Systems:

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

Barrett, Janice – current member in Worcester Regional Retirement System has requested a buyback of a refund taken on 9/30/1996 for \$14,330.08. She held the full-time position of General Municipal Assistant in the Town of Wendell from 6/23/1987 through 6/30/1996. This system will accept liability for 9 years, 7 days creditable service if Ms. Barrett completes the purchase agreement with WRRS.

Buybacks and Makeups:

Converse, Nancy – current member (retirement application in process) has requested a makeup of service due to administrative error between 10/12/1990 and 11/5/1990. The member's retirement eligible position began 10/12/1990 but deductions did not start until 11/6/1990. The member needs only purchase from 10/21/1990 to 11/5/1990 to make a full month. Deductions only, with no interest, has been charged because this individual should have been a member for this period of full time service 18 days (12 for 10). Total cost of makeup is \$69.84 if paid by 10/31/2013 otherwise interest will accrue as allowed by law.

Barry, William F. – newly enrolled member with a refund from the State Board of Retirement. The State Board will accept 1 year, 10 months, 3 days of service if the member redeposits the refunded annuity plus interest. Interest on the original refund, taken on 5/27/1983 for \$2,363.06, has been calculated at the

buyback interest rate of 3.9375%, for a payment of \$7,676.20 prior to 10/31/2013. Member has until 8/1/2014 to enter into a payment schedule agreement or the interest rate increases to the actuarial interest rate (7.875%).

Lemelin, Paul – current member has requested a make-up of service for work performed between 7/1/2011 and 11/13/2011 at the FRCOG immediately prior to his enrollment in this system. Allowable creditable service is 3 months, 16 days for a cost of \$1,113.47 if paid by 10/31/2013 otherwise interest will accrue as allowed by law.

MacPhee, Kimberly – current member has requested a buyback of a refund taken from the Brookline Retirement System on 9/19/2000. Service was from 12/15/1997 through 6/20/1998 and Brookline will accept 6 months of creditable service if member redeposits a total of \$8,357.10 by 10/31/2013 otherwise interest will accumulate as allowed by law. The interest has been calculated at the full actuarial interest rate (7.875%).

Deaths:

Brulotte Sr., Peter – option A retiree since 12/31/2000, Mr. Brulotte was the Chief of Police in Bernardston, accruing 30 years, 1 month of creditable service. DOD was 8/30/2013.

Croteau, Judith – option B retiree since 12/31/2003, Ms. Croteau was an aide at Orange Elementary School, accruing 18 years, 3 months of creditable service, with an additional 5 years ERI at the time of retirement. The balance of her annuity will be paid to her three beneficiaries. DOD was 8/31/2013.

Doyle, Ann – option A retiree since 11/10/84, Ms. Doyle was Secretary of the Superintendent of Schools for Charlemont, Heath, Rowe and the Hawlemont Regional School District, accruing 12 years, 2 months of creditable service. DOD was 9/1/2013.

Page, Shirley – option A retiree since 01/07/2000, Ms. Page was Town Clerk for the Town of Orange, accruing 20 years, 6 months of creditable service. DOD was 9/3/2013.

Priestley, JoAnne - Option C beneficiary of Donald Priestley died 9/22/13. Mr. Priestley will pop-up to an Option A monthly benefit.

General Business:

Schedule annual advisory council meeting

The Board was presented statistics from last year's annual Advisory Council meeting with the suggestion that we do the same this year. The Board agreed to a luncheon meeting at the Franklin County Technical School – Apprentice Restaurant on November 6, 2013 beginning at 11:30 AM, with Treasurers and their staff invited and “paid for”, while “social guests” (spouses, friends, other unit officials) will be required to pay their own way.

Further discussion ensued regarding reducing the 2014 Proposed Budget line item for Advisory Council Meetings from \$1,500 to \$500.

On a motion made by D. Gendron and a second by P. Light, the Board unanimously voted to reduce the Advisory Council Meetings budgeted line item for 2014 to \$500.

Preliminary 2014 Budget

A preliminary budget for 2014 was presented to the Board. The Board was asked if it wanted to increase the annual stipend of its Board Chair and if the Board wanted to present to the Advisory Council a request to increase the Board Members stipend to \$4,000.

On a motion made by D. Gendron and second by P. Light, the Board unanimously voted an increase of \$1,000 for the Board Chair bringing the total stipend to \$7,500 and to present a request to the Advisory Council to increase the Board members stipend to \$4,000.

In addition, the Board requested the Advisory Council Meetings line be reduced by \$1,000 and to eliminate the Tablet line of \$1,500 thereby reducing the presented draft 2014 Budget by \$2,500.

On a motion made by P. Mokrzecki and second by P. Light, the Board unanimously voted to reduce the Advisory Council Meetings line by \$1,000 making that budget line item \$500 and to eliminate the Tablet line altogether reducing the budget by \$2,500 from \$1,072,957 to \$1,070,457.

Pellin Accidental Disability Case

On November 25, 2008 the Board denied an accidental disability retirement allowance for Michael Pellin. The case was appealed to DALA who found for the Board and it was then sent to CRAB who 'vacated' the DALA decision. CRAB has remanded the case back to the Board which shall cause it to be resubmitted to the regional medical panel for reconsideration of the issue of causation.

Mr. Pellin claims an injury on 9/25/2006 while working as a custodian at the Shutesbury Elementary School. The first medical panel determined that the disability was not caused by the injury itself.

CRAB opines that the medical panel utilized an incorrect standard in their conclusion of causation based on the record before it and the factors cited.

Michael Sacco recommends that the Board follow the orders of CRAB and resubmit the case to the same medical panel for review, or if that is not possible, request a new medical panel.

On a motion made by D. Gendron and a second by M. Stokarski, the Board unanimously voted to resubmit the case to the regional medical for reconsideration of the issues of causation.

Town of Orange Late Assessment

Dale Kowacki, Executive Director informed the Board that the Town of Orange has not paid the 1st Half of Fiscal Year 2014 Assessment which was due on or before 7/1/2013 and asked the Board what steps to take.

On a motion made by D. Gendron and a second by P. Mokrzecki, the Board unanimously voted to send a demand letter with actuarial interest of 7.875% through October 31, 2013 to the Orange Town Treasurer copying the Chair of the Finance Committee, the Chair of the Selectmen, and the Town Administrator.

Second Chance for Military Buyback

The Board was presented the following circumstances and asked if it would establish policy regarding the ability of a member to have a second chance to purchase credit for military service, after having missed the opportunity, taken a refund, and returning as a member.

An eligible employee enrolled in the system through Frontier on 10/24/05. The member was offered the military service purchase for active duty (1977-1981) and did not respond to the notice. As the Board knows, failure to reply within 180 days closes the window of opportunity for this purchase. The member resigned from their position on 5/16/07 and received a refund on 8/31/07.

The same member was hired by Mohawk on 11/8/2007, and is now contemplating retirement options. In the course of doing research, the Mohawk Treasurer was asking about the possibility for this member to purchase the military service as well the buyback of their refunded time.

On a motion made by D. Gendron and a second by P. Mokrzecki, the Board unanimously voted to not allow a reinstated member a second chance to purchase Military Service.

Adoption of CRAB Decision re: 5 years Service for Police and Fire Reserves

The Board was presented with a recent CRAB decision referred to as "The MacAloney Case" regarding the provisions of MGL 32 §4(2)(b) and the granting of 5 years service to call fire fighters for the time they were on their "respective list" prior to appointment to a permanent position. The decision in MacAloney affirmed much of the Board's current policy and practice regarding this topic, but it changed one long-standing interpretation of the law – that "respective list" was meant to restrict the benefit to employees of civil service communities. The decision in MacAloney reversed that interpretation and expanded it to include all communities that generate a "list" of call fire fighters, the implication of which greatly increases the number of possible service grantings within FRRS. The board discussed possible policy changes to adjust to the change but took no action other than to agree that service would not be granted unless the permanent position was also membership eligible. In addition, the Board requested a report from staff that estimates the impact of this change.

Support for FRCOG switch to State Retirement

Dale Kowacki, Executive Director informed the Board that the legislation to move the Franklin Regional Council of Governments (FRCOG) to the State Retirement

is proceeding. The board was in agreement to support the transfer of the FRCOG to the State Retirement System.

On a motion made by D. Gendron and a second by M. Stokarski, the Board unanimously voted to support the transfer of the FRCOG to the State Retirement System.

TDBank Interest and Fees

The Board was informed that TDBank will no longer pay for our checks and NODS, and while there is no indication from TDBank, staff wondered if TDBank might also discontinue the interest on our checking account as well as beginning to charge fees. After a brief discussion the Board asked Paul Mokrzecki, 5th member of the Board and Vice President of Peoples Bank about the possibility of Franklin Regional Retirement System (FRRS) doing business with Peoples.

On a motion made by M. Stokarski and a second by D. Gendron, the Board asked Paul to check with the Ethics Commission regarding any possible conflict of interest that may arise from the FRRS doing business with Peoples Bank.

Status report on Requiring Direct Deposit

Staff reported that to date, 35 retirees out of 93 have returned the direct deposit form and will begin receiving their benefits by direct deposit in September. The Board asked that the staff continue to press on and send a letter with the November checks to those retirees that have not signed up for direct deposit.

Consolidated Retirement System

The Board was presented with a copy of the legislation to have all new members after July 1, 2014 be in a newly created "Consolidated Retirement System". It was reported that there is very little discussion or action regarding this in the State legislature.

Ajournment

On a motion made by D. Gendron and a second by P. Light, the Board unanimously voted to adjourn the meeting at 10:20 a.m.

Respectfully submitted,

Dale C. Kowacki, Executive Director

THESE MINUTES WERE APPROVED OCTOBER 30, 2013

Sandra A. Hanks, Chair and Treasurer

Paula J. Light, Council Member

David R. Gendron, Vice Chair

Mary A. Stokarski, Board Member

Paul J. Mokrzecki, Board Member