

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
October 30, 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 8:07AM 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 M. Stokarski, the Board voted unanimously to approve the minutes of the regular meeting held on September 25, 2013, and the minutes of the special meeting held on October 8, 2013.

Payroll, Refunds, Transfers and Bills Warrants

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

<i>Retirees Payroll</i>	<i>\$631,029.02</i>
<i>Refunds</i>	<i>59,258.29</i>
<i>Transfers</i>	<i>0.00</i>
<i>Invoices</i>	<i><u>101,796.96</u></i>
<i>For a total of:</i>	<i>\$792,084.27</i>

Cash Transfer between Investments and bank

There was no transfer needed 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 and existing members as follows:

New Members

Denise R. Aldrich	MHR	09/30/2013	Paraprofessional	100%
Robert K. Barron	FRN	08/26/2013	Instructional Aide	100%
Robert K. Barron	CON	08/26/2013	Out of School Time	0%
Carol A. Berliner	HLT	08/27/2013	Paraprofessional	100%
Lia C. Blodgett	FRN	08/27/2013	Instructional Assist	100%
Jennifer L. Chenette	SND	08/28/2013	Instructional Assist	100%
Justin J Cheney	DER	09/04/2013	Instructional Aide	100%
Mary K Collins	FRN	08/28/2013	Instructional Assist	100%

Glenda J. Cuevas	DER	09/24/2013	Instructional Assist	100%
Mary E. Holloway	MOH	08/26/2013	1:1 Paraprofessional	100%
Angela K Hutkoski	FRN	08/26/2013	Cafeteria Assistant	80%
Lawrence E. Knowlton	FCH	09/18/2013	IT Specialist	50%
Brittany L Koff	DER	09/04/2013	Instructional Aide	100%
Jennie Ladew-Duncan	MOH	08/26/2013	Paraprofessional	100%
Karen J. Laramie	DER	09/16/2013	Special Ed Sec	50%
Keith Mildren	DER	08/13/2013	Custodian	100%
Joseph J. O'Hare	FRN	08/28/2013	Instructional Assist	80%
Michael G Peloquin	FRN	09/02/2013	Info Tech Support	100%
Michelle D. Penza	SND	08/29/2013	Instructional Assist	100%
Christine J. Rodriguez	MHR	09/09/2013	Exec. Admin Asst.	70%
Scott J. Sarich	MOH	08/27/2013	Paraprofessional	100%
Erin N. Sears	SND	09/09/2013	Instructional Assist	100%
Maureen A. Shaw	PNR	09/23/2013	Paraprofessional	90%
Betty J. Stafursky	BER	09/09/2013	COA Van Driver	50%
Jacquelin W. Tynan	CON	08/29/2013	PreSchool Aide	100%
David A. White	SND	08/28/2013	Instructional Assist	100%
David A. White	DER	08/28/2013	Out of School Time	0%
Eva Linnea Winter	FRN	09/09/2013	Instructional Assist	100%
<u>Existing Member</u>				
Lisa A. Dewitt	STB	10/01/2013	Paraprofessional	90%

Retirees:

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

Stanford, Jacqueline – PERAC approval has been received to retire Jacqueline Stanford for a Superannuation, Option B retirement allowance. Her last day of work was July 31, 2013 and her retirement benefit will begin on August 1, 2013. Ms. Stanford was a group 1 member serving the Town of Shelburne Senior Center as an Outreach Coordinator, accruing 14 years, 3 months of creditable service.

Holloway, Hope – PERAC approval has been received to retire Hope Holloway for a Superannuation Option C retirement allowance. Her last day of work was June 30, 2013 and her retirement benefit will begin on July 26, 2013. Ms. Holloway was a group 1 member serving the Pioneer Regional School District as a paraprofessional, accruing 13 years of creditable service.

Canon, Lydia – PERAC approval has been received to retire Lydia Canon 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. Canon was a

group 1 member serving the Hawlemont School as a paraprofessional accruing 24 years of creditable service.

Young, Davette – PERAC approval has been received to retire Davette Young for a Superannuation Option B retirement allowance. Her last day of work was August 16, 2013 and her retirement benefit will begin on August 17, 2013. Ms. Young was a group 1 member working in the FRCOG as a clerk accruing 31 years, 11 months 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 approve the following buybacks:

O'Rourke, Kathleen – current member in MTRB has requested a make-up of service for time worked between January 1990 and June 18, 1991 at the Whately Elementary School. The Treasurer has provided a hand-written copy of her earnings and hours worked. This system will accept liability for 1 year, 7 months, 6 days on a 12 month schedule if Ms. O'Rourke completes a purchase agreement with MTRB.

Wallace, Joanne – current member in the Greenfield Retirement System has requested a make-up of service for time worked between 1/3/2013 and 8/2/2013 in a school year secretarial position in the Deerfield Elementary School. Ms. Wallace was erroneously excluded from membership. This system will accept liability for 6 months, 11 days of service on a 12 month schedule if Ms. Wallace completes a purchase agreement through Greenfield Retirement System.

Deaths:

Parra, Erasmus – retiree since 06/30/2006, option C 'pop-up', Mr. Parra was a paraprofessional at Mohawk Trail Regional High School, accruing 12 years, 4 months of creditable service. DOD was 8/18/2013.

General Business:

2014 Budget

On a motion made by D. Gendron and a second by P. Light, the Board voted unanimously to approve the 2014 budget as presented, for a total of \$1,070,457.

Further discussion ensued with the Board members requesting that the total assets of the system be added to the budget to show the return on expenses.

Surviving Spouse's benefit to \$12,000?

The Board was presented with a request from the surviving spouse of one of our retirees asking the Board to vote again to accept the provisions of Sections 63, 64 and 65 of Chapter 139 of the Acts of 2012 and increase the benefit paid under M.G.L. c. 32 § 101 from \$9,000 to \$12,000. Susan Bobe, Assistant Director, provided the Board with information regarding the potential cost to the system.

On a motion made by D. Gendron and a second by P. Light, the Board voted unanimously to increase the benefit to surviving spouses of disabled employees to \$12,000 subject to approval by the Advisory Council.

Audit RFPs

Dale Kowacki, Executive Director, presented the Evaluation Rankings and Selection Process Report of the four entities whose proposals were submitted timely. With the best composite rating and lowest proposal fee Dale asked the Board to consider awarding Melanson Heath & Company, PC the five-year contract from July 1, 2014 to June 30, 2019 to provide audit services for the years 2013, 2014, 2016, 2017.

On a motion made by P. Mokrzecki and a second by M. Stokarski, the board voted unanimously to accept the proposal of and enter into a contract with Melanson Heath & Company, PC to conduct financial audits for the years 2013, 2014, 2016 and 2017.

Lynda Hodson-Mayo

Lynda Hodsdon-Mayo was appointed to a 20 hour a week position as Assessor's Clerk in the Town of Gill on 7/26/2005. Concurrently, she has been elected to the Town Clerk's position beginning 5/21/2003. Due to administrative error, she was not enrolled in this system until 2/21/2013. Her enrollment is based on the 20 hour a week position and earnings only because of the specific MGL c. 32 conditions on membership for elected officials.

Lynda's history was documented and she was granted a make-up of full-time creditable service commencing on the date of her first elected term on 5/19/2003 and ending the day before her enrollment.

Lynda has been advised that as of her next successful election to the position of Town Clerk she may complete another enrollment form and begin contributing to this system on her Town Clerk's pay. This is consistent with MGL c. 32 which allows an elected official the option to join the system within 90 days of a successful election. She has also been advised that this current term may be purchased at that time. The combined salaries of the two positions will provide for a greater retirement benefit. However, Lynda does not want to wait until her next election in May, 2015 and has written a letter asking the Board to waive the 90 day rule and allow her to begin contributing immediately on all of her earnings.

Based on the advice of counsel, on a motion by D. Gendron and a second by P. Light, the Board voted unanimously to deny the waiving of the 90 day rule in order to allow Ms. Hodsdon-Mayo to begin contributing immediately on all of her earnings.

Retirements on Agenda before PERAC approval

The retirement calculations that are done in this office are sent to PERAC for approval before the Board will approve first payment of benefit to the retiree. This has been the Board policy and practice for many years. Currently it is taking

many weeks for PERAC to process approvals. However, for the last few years, prior to sending the calculations to PERAC, they have been thoroughly reviewed by Dale Kowacki, Executive Director, and it has been several years since there has been any corrections made by PERAC.

Staff would like the Board policy to be changed slightly, allowing staff to place a pending retiree on the Board agenda and subsequently begin a retirement allowance after it goes through the rigors of approval in-house. Approval from PERAC will still be sought for official documentation but any delay on PERAC's part will not delay the member's first payment.

On a motion made by P. Light and a second by P. Mokrzecki, the Board unanimously voted to allow a pending retiree to begin receiving a retirement allowance prior to PERAC approval.

Full names in minutes regarding Board votes

Staff wondered if the Board has a preference as to whether names in votes should include full name instead of only the initial of first name, and then last name.

Importance of Meeting Minutes

Proposed by D. Gendron and second by Paula Light, the Board approved the minutes of the regular meeting held on October 30, 2013.

"Robert's Rules in Plain English" stated that the minutes must indicate the **name of the maker of the motion**, but there was no further guideline as to the use of first name versus initials.

After a brief discussion, the Board made no change to policy regarding format when recording the name of the maker of the motion, and no further action by the Board was taken.

Impact of 5 years to Call Firefighters and Reserve Police

Susan Bobe, Assistant Director, and Deb Frenzoz, Member Services Accountant, reviewed current group 4 members and group 4 retirees to determine their eligibility for creditable service based on MGL 32, section 4(2)b and b ½ and presented their findings to the Board.

Policy on §4(2)(b) (aka 5 free years)

Dale Kowacki, Executive Director, presented the Board with the latest understanding of the possible impact of the MacAloney decision on FRRS. Attorney Michael Sacco has requested further clarification from PERAC regarding interpretation and implementation of the findings in the MacAloney decision, and his advice to the Board is to delay any action in this regards until he feels PERAC has provided guidance that is clear enough to help avoid litigation.

After some discussion, the Board agreed with advice of counsel to wait until the issue is more fully resolved. No action taken at this time.

Computer Tablet Policy

In anticipation of PERAC and/or independent auditors asking if we have a policy in place regarding the use of system provided tablets, the staff presented a draft policy to the Board, which was edited and approved in the following form:

The purpose of this policy is to establish the criteria governing the authorized use of system owned tablets.

Each tablet must be recorded on a list maintained by the Franklin Regional Retirement System that includes the device model and serial number, person the device is assigned to, and date of assignment. Upon separation from the FRRS or its Board the tablet will be returned and the date of return noted on the above list.

The user agrees to a general code of conduct that recognizes the need to protect confidential data that is stored on, or accessed using, a tablet. User should apply due diligence handling, storing, and securing the tablet.

Personal Use: Tablet is for the exclusive use of the assigned user. In addition, its personal use is limited to personal communication and recreation, such as reading or game playing. Personal communications and data should be segregated from business communications and data. Under no circumstances is any Board tablet to be utilized to solicit, harass, or otherwise offend or for any unlawful purpose, such as accessing illegally or legally distributed materials which are sexually explicit or otherwise inappropriate or unlawful. The Board reserves the right to monitor or review any information stored or transmitted on its tablets.

Programs: All programs and software provided on the tablet, including but not limited to, anti-virus and security programs and software, must remain on the tablet. The Board reserves the right to limit the programs used.

Data Security: An appropriate level of security must be applied and should include:

- A password must be used upon tablet wake-up
- Password must remain as assigned
- If password must be changed, password must be provided to the FRRS
- Passwords must not be stored or memorized by the tablet
- Passwords must not be given to unauthorized users
- The tablet must automatically lock after 10 minutes of inactivity

Deleting Data: FRRS documents and files containing sensitive data will be removed from the tablet three months after date of download.

Physical Security: Tablet must be stored in a secure location or be in the possession of the assigned user at all times. Lost or stolen tablets must be reported to the FRRS immediately. Lost or stolen tablets will be remotely wiped.

The Board discussed the policy and made a revision to the last sentence under "Programs" and replaced it with "The Board reserves the right to limit the programs used." In addition, the Board asked for the following statement to be added at the end of the policy and requiring the user to sign:

"I have read and fully understand and agree with the above policy."

On a motion made by P. Light and a second by D. Gendron, the Board unanimously voted to approve the Tablet Policy as revised.

Change Assessment Allocation Calculation

Dale Kowacki, Executive Director, presented the Board with a proposal to use a three year average of salaries derived from deductions received, as a simpler method to allocate the assessments.

On a motion made by M. Stokarski, and a second by P. Light, the Board voted (3 ayes, D. Gendron was not present for the vote) using a three year average of salaries to allocate the assessments.

TDBank Interest and Fees

Last month 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 in light of TDBank no longer providing checks, notices of deposit, and discontinuing interest on our checking account as well as the possibility that TD Bank might someday be adding fees.

Paul spoke with someone from Ethics Commission who confirmed that this would be a conflict of interest. Paul expressed discomfort in using Peoples Bank in regards to “the appearance factor” – Paul being the 5th member of the Board and Vice President of Peoples Bank. The Board decided not to include Peoples Bank as a possible bank to do business with in the future.

Direct Deposit

Staff reported that as of the August payroll, 93 retirees were receiving checks and as of the September payroll, 55 retirees were receiving checks. Since September’s payroll, we have received direct deposit information from an additional 13 of those retirees and they will begin receiving their benefits by direct deposit in October. This leaves a balance of 42 retirees receiving checks.

After some discussion, the Board asked for an update in November. No decision was made regarding next steps of enforcement.

Town of Orange Assessment Payment

Dale Kowacki, Executive Director, presented a letter from Diana Schindler, Orange Town Administrator requesting a reduction on the interest if they pay the second half of the assessment early (prior to January 1, 2014).

The Board discussed giving the Town of Orange a discount on the 2nd half of their assessment if they pay prior to January 1, 2014. The Board will entertain the option to approve the discount at its November meeting, and in the meantime asked Dale Kowacki, Executive Director to present a draft letter to the Board explaining to the Town of Orange that allowing a discount is a one-time deal and the Board expects timely payment from now on.

Ajournment

On a motion made by P. Light and a second by D. Gendron, the Board unanimously voted to adjourn the meeting at 10:13 a.m.

Respectfully submitted,

THESE MINUTES WERE APPROVED NOVEMBER 25, 2013

Dale C. Kowacki, Executive Director

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