

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
December 18, 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 8:09 a.m. by Board Chair, Sandra Hanks with Board Members Paula Light, Mary Stokarski and David Gendron present. Also present were Executive Director Dale Kowacki, Assistant Director Susan Bobe and Member Services Accountant Deb Frenzoz, Robert Spaulding and Attorney Earlon Seeley, legal counsel to Mr. Spaulding.

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 November 25, 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>\$632,632.60</i>
<i>Refunds</i>	<i>9,378.88</i>
<i>Transfers</i>	<i>0.00</i>
<i>Invoices</i>	<i><u>24,475.72</u></i>
<i>For a total of:</i>	<i>\$666,487.20</i>

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 \$230,000 from O'Shaughnessy Asset Management to TDBank to cover next month's warrants.

Visitors, and . . .

Robert Spaulding, Equipment Operator/Highway Worker with the Town of Shutesbury, submitted an application for an Accidental disability retirement. After a review of the application, medical documentation, and conducting an evidentiary hearing, the Board requested that PERAC convene a regional medical panel to examine Mr. Spaulding.

On October 8, 2013, the Board met to discuss the Medical Panel's Certificates regarding Robert Spaulding. The Board expressed concern regarding the way the panel addressed the issue of causation. The Board voted to request that PERAC convene a new medical panel to examine Mr. Spaulding.

Response from PERAC received 12/4/2013 – “PERAC has found no statutory reason to grant a new medical panel.”

The Board reviewed the copy of PERAC’s response and Attorney Michael Sacco’s opinion. Michael Sacco is recommending that the Board deny Mr. Spaulding’s disability application.

After some discussion the Board took the following action:

On a motion made by D. Gendron and a second by M. Stokarski, the Board voted unanimously to postpone any decision in regards to Robert Spaulding’s Accidental disability application until the Board meets with Board Counsel, M. Sacco for further clarification.

Membership

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

New Members

Abdul, Rasheed	12/04/2013	100%	FRN	SPED Para
Ahearn, Meaghan J.	10/15/2013	100%	OGE	Firefighter/Paramedic
Brooks, William D.	TBD	100%	LED	Highway Laborer
Martin, Ree A.	10/28/2013	90%	PNR	Paraprofessional
Olmo, Derian M.	12/03/2013	100%	FCH	Stabilization Counselor
Redeker, John R.	11/18/2013	100%	FCH	Staff Accountant
Skipton, Andrew	12/10/2013	100%	FRN	Night Custodian
Smith, David E.	11/19/2013	100%	CON	Highway Laborer
Smith, Elizabeth	12/09/2013	100%	PNR	Administrative Assistant
Tonna-Lamuniere, Lorian A.	11/01/2013	90%	PNR	SPED Para

Existing Members

Minckler, Scott D.	11/18/2013	100%	LEV	Police Sergeant
Rich, David A.	11/27/2013	100%	BUC	Highway Laborer

Retirees:

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

Billiel, David – The retirement packet has been submitted to PERAC to retire David Billiel for a Superannuation, Option C retirement allowance. His last day of work was September 27, 2013 and his retirement benefit will begin on September 28, 2013. Mr. Billiel was a group 1 member serving the Mohawk Trail Regional School District as a custodian, accruing 11 years, 2 months of creditable service.

Dandeneau, Henry – The retirement packet has been submitted to PERAC to retire Henry Dandeneau for a Superannuation, Option C retirement allowance. His last day of work was June 30, 2013 and his retirement benefit will begin on

October 18, 2013. Mr. Dandeneau was a group 4 member serving the Town of Rowe as Police Chief, accruing 28 years, 10 months of creditable service.

Malek, Joseph T. – The retirement packet has been submitted to PERAC to provide a 12(2)(d) survivor benefit to Kelly Malek, spouse of Joseph who died as an active employee of the Mohawk Trail Regional School District. The benefit begins on the date of death, November 3, 2013 and is for the minimum allowance of \$6,000 per year.

Judson, Anne – The retirement packet has been submitted to PERAC to retire Anne Judson for a Superannuation Option A retirement allowance. Her last day of work was October 30, 2013 and her benefit will begin on October 31, 2013. Ms. Judson was a group 1 member serving the Town of Ashfield as the Library Director, accruing 22 years, 1 month of service.

General Business:

“Respective List” service for Police and/or Fire

The members of the Board discussed and reviewed the proposed regulations on the implementation of the order(s) included in the MacAloney decision presented by Dale Kowacki, Executive Director. The Board voted on the edited version and requested that the proposed regulations be sent to Board Counsel, Michael Sacco for review.

On a motion made by D. Gendron and a second by P. Light, the Board voted unanimously to forward the proposed regulations on the implementation of the order(s) included in the MacAloney decision to Board Counsel, Michael Sacco for review.

Service Credit for Reserve Police and Call Firefighters as per MGL 32 § 4(2)(b)

Reserve Police, and call firefighters that were on the annual list of officers or call firefighters, in a particular town, and available to fill shifts in their respective departments, can receive up to five years credit for that period, but not until they are hired to a permanent position in that same town and become a member of the retirement system via that permanent position. Members receiving service will be required to pay an amount equal to the deductions on wages received, and/or \$5,000 – whichever is greater – for work performed during the service period. Availability is subject to consideration of the June 21, 2013 date of the “MacAloney” decision.

Must be on the “Respective List”

Police - MGL 41, §’s 96, 97, and 97A all provide that officers will be appointed either annually, or for terms not to exceed 3 years – so to be considered, the officer must appear on one of these lists - if the lists exist.

Fire - MGL 42 and 42A both provide for the appointment of firefighters, which would likely include the generation of a list of appointees, so to be considered, the firefighter must appear on one of these lists - if the lists exist.

Unless indicated otherwise, the above lists will be considered to be in effect for one year from the effective date. Where the above lists are not available, the Board will review alternative documentation.

Members can receive up to 5 years maximum.

Members will receive full service credit from the effective date of the first “respective list” upon which they are listed, up to the date of their appointment to the permanent membership position with the same town or fire district, limited to five years total service for the period, and excluding any periods they are not on the applicable “respective list” for any period of time.

Service credit beyond the first five years is subject to Board regulations related to that type of service.

Members will have to pay for the service credit.

The member will have to pay to the retirement system the amount of retirement deductions on wages received for any pension eligible hours worked during the five years, or an annual rate of \$5,000, whichever is.

“Buyback” interest, as applied in regular “service makeup” purchases, will apply to these service purchases as well.

The member must be hired to a permanent, membership-eligible position with the town and become a member of the retirement system before receiving the service credit.

- Permanent position does not have to be full time – just membership eligible.
- Permanent position must be with same town as the reserve service.
 - **Police** - Permanent position does not have to be with the police department.
 - **Call Firefighter** - Permanent position must be with the same department.

Impact on Service already purchased and/or granted.

Retirees retired prior to June 21, 2013 will remain unaffected by these rules. Retirees retired on or after June 21, 2013 but before the implementation of this policy will have their service corrected to comply with these regulations without further payment by the retiree to the system.

Members not retired that have been denied or granted under MGL 32 § 4(2)(b) will have their service corrected to comply with all aspects of these regulations, and payment or refund will be made by either the system or the member as applicable. Interest on corrective payments will not accrue back to the service period but will begin to accrue as of the date of payment request from the system to the member.

Investment Meetings

Dale Kowacki, Executive Director, presented the Board with a 2014 schedule for quarterly meetings with our Investment Managers. Upon review by the Board the schedule was accepted as presented.

Wednesday, February 26, 2014 - Greg (8:30 am) with - Polen (9:00 am) and PRIT/PRIM (9:30 am)
Wednesday, May 28, 2014 - Greg (8:30 am) with - O'Shaughnessy (9:00 am) and Daruma (9:30 am)
Wednesday, August 27, 2014 - Greg (8:30 am) with - Seizert (9:00 am) and IR&M (9:30 am)
Monday, November 24, 2014 - Greg only (9:00 am)

Current Year Budget

Staff presented the Board with the need for an additional \$100,000 to be added to the 2013 Budget to cover the 4th quarter management fees as a result of the investments having done very well this year.

On a motion made by D. Gendron and a second by P. Light, the board voted unanimously to approve an additional \$100,000 be added to the management fees line of the 2013 Budget.

TDBank interest and fees

Patty Leveille, Administrative Assistant presented the Board with an update of banking options available to the Board. The research has been expanded to include some of the other "government services" banks. The Board reviewed the information that has been received to date and will revisit this at a future meeting when more information has been gathered.

Direct Deposit

Staff reported that as of the December payroll, all retirees **except 10** will be receiving their benefit by direct deposit. Of the remaining 10, 3 are between the ages of 62-70, 3 are between 70-75, 2 are between 75-80, 1 is 85, and 1 is 88. No further discussion or action was taken by the Board.

Town of Orange Assessment Payment

The Town of Orange did not pay the 1st Half of Fiscal Year 2014 Assessment which was due on or before 7/1/2013 until October 21, 2013. At the regular Board meeting of 9/25/2013 the Board voted to send a demand letter to the Town of Orange with actuarial interest of 7.875% added to the 1st Half of FY 2014 Assessment through October 31, 2013. A letter from Diana Schindler, Orange Town Administrator requested a reduction on the interest if they pay the second half of the assessment early (prior to January 1, 2014).

Dale Kowacki, Executive Director, informed the Board that payment from the Town of Orange for the 2nd installment of the 2nd half of their assessment was received 11/26/2013. Dale asked the Board if they would like to reduce the interest on the 1st half of their assessment in light of the early payment of the 2nd half.

On a motion made by D. Gendron and a second by P. Light, the board voted unanimously to send an invoice to the Orange Town Treasurer copying the Chair

of the Finance Committee, the Chair of the Selectmen, and the Town Administrator requesting that the Town of Orange pay \$3,195.73 of the interest due for late payment of the 1st half of their assessment.

Ajournment

On a motion made by D. Gendron and a second by P. Light, the Board voted to adjourn the meeting at 10:12 a.m.

Respectfully submitted,

THESE MINUTES WERE APPROVED JANUARY 29, 2014

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

_____ absent
Paul J. Mokrzecki, Board Member