

FRANKLIN REGIONAL RETIREMENT SYSTEM  
BOARD MEETING MINUTES  
January 29, 2014

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 8:06 a.m. by Board Chair, Sandra Hanks with Board Members Paula Light, and Mary Stokarski present. Also present were Executive Director Dale Kowacki, Assistant Director Susan Bobe, Member Services Accountant Deb Frentzos, and Attorney Michael Sacco, legal counsel to the Board. Robert Spaulding and Attorney Earlon Seeley, legal counsel to Mr. Spaulding joined the meeting at 8:35 a.m.

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 M. Stokarski and second by P. Light, the Board voted unanimously to approve the minutes of the regular meeting held on December 18, 2013.*

**Payroll, Refunds, Transfers and Bills Warrants**

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

Retirees Payroll	\$636,159.35
Refunds	17,454.09
Transfers	236,959.56
Invoices for 2013	84,810.16
Invoices for 2014	<u>197,773.02</u>
For a total of:	\$1,173,156.18

**Cash Transfer between Investments and bank**

*On a motion made by M. Stokarski and a second by P. Light, the Board voted unanimously to transfer \$850,000 from Daruma Asset Management to TDBank to cover next month's warrants.*

**Membership**

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

**New Members**

Aquino, Kristine	09/06/2013	100%	MOH	Paraprofessional
Christian, Robin E	08/26/2013	100%	MOH	SPED Aide
Cohen, Martha J	01/06/2014	60%	ASH	Library Director
Dove, Laura J	11/17/2013	50%	CON	Assessors Clerk/Secretary

Eller, Emily J	09/26/2013	100%	MOH	SPED Aide
King, Manuel D	01/13/2014	70%	OGE	Adult Services Librarian
Magdycz, Stacey S	11/06/2013	100%	MOH	Head Custodian
Maloni, Mark A	01/02/2014	100%	FRG	Planner
Murphy, Melissa A	01/06/2014	100%	NSW	Bookkeeper/Asst. Treas
Richardson, John T Jr	12/16/2013	100%	NTD	Police Sergeant
Rock, Heather K	01/06/2014	50%	SDW	Office Clerk
Sawicki, Sean A	12/03/2013	100%	STB	Police Officer
Scarborough, Laurie A	12/19/2013	80%	FRG	Trans/Emerg Prep Planner
Senecal, Todd D	12/09/2013	100%	ASH	Equipment Operator/Laborer

**Retirees:**

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

**Haven, Lynn** – The retirement packet has been submitted to PERAC to retire Lynn Haven for a Superannuation Option A retirement allowance. Her last day of work was November 27, 2013 and her retirement benefit will begin on November 29, 2013. Ms. Haven was a group 1 member serving the Pioneer Valley Regional School District as a para-professional, accruing 26 years, 3 months of creditable service. The Greenfield Retirement Board holds liability for 4 of the 26 years.

**Scott, Helen** – The retirement packet has been submitted to PERAC to retire Helen Scott for a Superannuation Option C retirement allowance. Her last day of work was June 30, 2012 and her benefit will begin on November 5, 2013. Ms. Scott was a group 1 member serving the Town of Deerfield school department as a secretary and a para-professional, accruing 20 years of creditable service.

**Buybacks and Makeups:**

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

**Lundgren, Craig** – current member with the Town of Orange, has requested a makeup of service prior to membership in the town’s Fire Department. The member’s retirement eligible position began 8/27/1981, however; the member was excluded from membership during a six month probationary period and deductions did not start until 3/1/1982. Deductions only for this period of full time service (6 months, 2 days) are \$495.65 if paid by 2/28/2014, otherwise; interest will accrue as allowed by law.

**Hall, Ken** – current member with the Town of Charlemont, has requested a makeup of service between 6/30/1993 and March 2001. Mr. Hall enrolled 1/1/1992 and had deductions from his earnings through 6/30/1993. Deductions stopped until 3/1/2001 when he was serving as the Fire Chief.

1. Between 7/1/1994 and 6/30/1998 - allowable creditable service is actual hours worked based on warrant payrolls and budget. Payroll records have

not been found for 1/1/1994-6/30/1994. Hours of service are 2 months, 26 days

2. From 7/1/1998 through 3/1/2001 creditable service is full-time (based on prior Board vote for fire chiefs). Service for this period is 1 year, 8 months.

Total allowable service is 1 year, 10 months, 26 days at a cost of \$969.87 which is deductions only due to administrative error.

Mullen, Dorothy – current member with the Town of Orange Elementary School, has requested a make-up of two periods of service, one immediately prior to her enrollment in the system and the other for non-membership service prior to membership eligibility.

1. Administrative error between 10/25/1999 and 01/16/2000 – the member's retirement eligible position began 10/25/1999 but deductions did not start until 01/17/2000. Deductions only for this period of full time service (3 months, 7 days) are \$220.36. Total cost of makeup is \$220.36, if paid by February 28, 2014, otherwise; interest will accrue as allowed by law.
2. Non-membership service eligible for purchase between 5/1993 through 10/24/1999 for a total of 1 year, 9 months, 18 days actual hours worked. Cost of purchase is \$4,356.31, if paid by February 28, 2014, otherwise; interest will accrue as allowed by law.

Woodward, Katherine – current member with the New Salem/Wendell School District (Union 28), has requested a make-up of two periods of service. Member has submitted an application for retirement effective 12/31/2013. Purchases must be paid in full immediately.

1. Administrative error between 9/30/1976 and 2/28/1977– Member began a full-time position in Union 28 meeting the enrollment requirements of the equivalent of 130 days in a calendar year and minimum earnings of at least \$720.00 per year. Documented earnings for the time period were \$1,657.01. Additional earnings of \$1,552.05 are presumed as reported by the member but are undocumented with any official record. Deductions only for this period of full time service (5 months) are \$224.63.
2. Administrative error between January 1, 1988 and June 30, 1988 – Member began a part-time position in Union 28 meeting the enrollment requirements of minimum earnings of at least \$2000 per year. Documented earnings for the time period were \$2,912. Additional earnings of \$2,716.44 are presumed as reported by the member but are undocumented with any official record. Deductions only for this period are \$450.28 for six months of fulltime service.

Research for this make-up uncovered an error in deductions withheld beginning July 1988 through September 1990. Deductions only for this period of service are \$486.46.

Rice, Carol – inactive member (retirement application in process) formerly working in the Town of Charlemont, has requested a make-up of service for time as an elected Assessor from January 1, 1996 through December 31, 2000. Total service is 5 years at a cost of \$867.28 if paid by 2/28/2014, otherwise; interest will accrue as allowed by law.

**Deaths:**

Baldic, Nancy – option A retiree since 12/01/2002, Mrs. Baldic was a cook at the Fisher Hill School in Orange, accruing 18 years, 11 months of creditable service. DOD was 12/19/2013.

Brozo, Joseph Jr. – option C retiree since 07/01/1996, Mr. Brozo was a correctional officer for the Franklin County Jail, accruing 32 years of creditable service. DOD was 01/05/2014. His wife, Marilyn, will be receiving a survivor benefit.

**General Business:**

Travel approval for MACRS meetings

*On a motion made by M. Stokarski, and a second by P. Light, the Board voted unanimously to approve the attendance and travel of Board members and staff to both the June 2014 MACRS meeting on Cape Cod, and the Fall 2014 MACRS meeting.*

Retirees' COLA

After a brief discussion the members of the Board decided to table this until the February Board meeting.

Increase Retirees' COLA Base from \$14k

*On a motion made by M. Stokarski and a second by P. Light, the Board unanimously voted to increase the maximum COLA base for the retirees' annual COLA to \$15,000 starting July 1, 2014.*

Switch from TDBank to new bank

After a brief discussion regarding an alternative to TDBank, the Board took the following action:

*On a motion made by M. Stokarski and a second by P. Light, the Board unanimously voted to move the checking and money market accounts from TDBank to Unibank.*

\$15k Post-retirement earnings on 366<sup>th</sup> day

The members of the Board discussed and reviewed the \$15k Post-retirement earnings benefit to retirees that allows retirees to earn an additional \$15,000 over

and above the standard limitation, but not until a year after their retirement. A recent PERAC memo could actually cause the retiree to wait two years before they can increase their earnings:

*(Memo 30/2013) “. . . for the upcoming 2014 calendar year, any retiree retired on or before January 1, 2013 will be able to add the additional \$15,000. However, more recent retirees who retired after January 1, 2013 do not get this additional \$15,000 as earnings in 2014 but will each calendar year thereafter.”*

**Retire 01/02/2013      Increase on 1/1/2015      Almost 2 years wait**

We have been following Attorney Michael Sacco’s guidance – which is to keep the wait period to 1 year and start the increased earnings on day 366.

**Retire 01/02/2013      Increase on 1/2/2014      1 year wait**

*On a motion made by M. Stokarski and a second by P. Light, the Board unanimously voted to keep the wait period to 1 year and start the increased earnings on day 366.*

#### New Entryway Sign

Susan Bobe, Assistant Director, presented the Board with two options and pricing of a new sign for the office door. After a brief discussion the Board took the following action:

*On a motion made by M. Stokarski and a second by P. Light, the Board unanimously voted to table this until the February Board meeting.*

#### Hearing with Robert Spaulding regarding disability application

At 8:35 a.m. Robert Spaulding joined the meeting for the purpose of a hearing in support of his application for accidental disability allowance. Mr. Spaulding was accompanied by his Attorney Earlon Seeley.

The Chair of the Board passed the meeting to Michael Sacco, legal counsel to the Board, who explained the hearing process.

At 8:36 a.m.

*On a motion made by M. Stokarski and a second by P. Light, the Board voted by roll call vote to move into Executive Session: Stokarski – aye, Light – aye, Hanks – aye.*

In executive session:

*On a motion made by M. Stokarski and a second by P. Light, the Board voted by roll call vote to have Michael Sacco, legal counsel to the Board and Earlon Seeley, legal counsel to Robert Spaulding to convene a new medical panel: Stokarski – aye, Light – aye, Hanks – aye.*

*A motion to come out of executive session as made at 9:06 by M. Stokarski and a second by P. Light and accepted by roll call vote. Roll call Vote: Stokarski – aye, Light – aye, Hanks – aye.*

Review Police and Fire 4(2)(b) Service:

The staff presented the Board with individual packets for members with potential credit available. The Board has determined its policy on MGL c. 32 §4(2)(b) based on available opinions of both the Public Employee Retirement Administration interpretation of the new legislation and the advice of its legal representative.

*On a motion made by M. Stokarski and a second by P. Light, the Board unanimously voted to accept payroll records as an acceptable substitute for 'respective list's and grant 4(2)(b) creditable service to the following members:*

Lundgren, Craig – current member with the Town of Orange, has requested service credit of 3 years, 7 months, 26 days for call firefighter time for work between January 1978 and August 26, 1981 prior to becoming a full-time firefighter August 27, 1981. The cost of the purchase is \$1,278.22 as regular deductions of 7% on a minimum annual salary rate of \$5,000 per year (per Board policy) yielding the amount of \$18,260.27 based on the 3 years, 7 months, 26 days. Interest in the amount of \$8.39 has been added from January 1, 2014 to present, for a total cost of \$1,286.61, if paid by February 28, 2014, otherwise; interest will accrue as allowed by law.

Bethann Kaczinski – current member with the Town of Erving, has requested service credit of 1 year, 27 days for part-time police work from February 16, 1989 through March 12, 1990 prior to becoming a full-time police officer March 13, 1990. The cost of the purchase is \$494.08 as regular deductions of 8% on a minimum annual salary rate of \$5,000 per year (per Board policy) yielding the amount of \$6,176.00 based on the 1 year, 27 days. Interest in the amount of \$4.86 has been added from January 1, 2014 to present, for a total cost of \$498.94, if paid by February 28, 2014, otherwise; interest will accrue as allowed by law.

Ken Hall – current member with the Town of Charlemont, has requested service credit of 5 years part-time fire department work from 1987 through 1991 prior to becoming a member of the retirement system on 1/1/1992. The cost of the purchase is \$2000 as regular deductions of 8% on a minimum annual salary rate of \$5,000 per year (per Board policy) yielding the amount of \$25,000 based on the 5 years. Interest in the amount of \$12.12 has been added from January 1, 2014 through 2/28/2014, for a total cost of \$2012.12, if paid by February 28, 2014, otherwise; interest will accrue as allowed by law.

Dennis Annear – current member with the Town of Orange, has requested service credit of a documented 5 years part-time reserve police officer work with the Town of Charlemont from 1979 through 1991 prior to becoming a member of the retirement system on 7/1/1991. The cost of the purchase is \$1,750 as regular

deductions on a minimum annual salary rate of \$5,000 per year (per Board policy) yielding the amount of \$25,000 based on the 5 years. Pending the finalization of other possible service purchases, interest will be added from January 1, 2014 through date of payment; otherwise, interest will accrue as allowed by law.

Brian Gale – current member with the Town of Orange, has requested service credit of a documented 3 years as a call fire fighter (Captain) with the Town of Warwick for the years 1976, 1986, and 1987 prior to his “should have been a member” date on 1/1/1988. The cost of the purchase is \$1,150 as regular deductions on a minimum annual salary rate of \$5,000 per year (per Board policy) yielding the amount of \$15,000 based on the 3 years. Pending the finalization of other possible service purchases, interest will be added from January 1, 2014 through date of payment; otherwise, interest will accrue as allowed by law.

In addition, the Board discussed the impact on the cost of service previously purchased and/or granted with the possibility of refunds due to members. The Board decided not to issue refunds until it is clear that any legal challenges regarding this topic throughout the State, that would impact this policy, have ceased and been resolved. The Board will review any pending refunds annually.

*On a motion made by M. Stokarski and a second by P. Light, the Board unanimously voted not to issue refunds until it is clear that any legal challenges regarding this topic throughout the State, that would impact this policy, have ceased and been resolved.*

**Ajournment**

*On a motion made by P. Light and a second by M. Stokarski, the Board voted to adjourn the meeting at 10:30 a.m.*

Respectfully submitted,

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Dale C. Kowacki, Executive Director

**THESE MINUTES WERE APPROVED MARCH 26, 2014**

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Sandra A. Hanks, Chair and Treasurer

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Paula J. Light, Council Member

**absent**

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David R. Gendron, Vice Chair

\_\_\_\_\_  
Mary A. Stokarski, Board Member

**absent**

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Paul J. Mokrzecki, Board Member