

FRANKLIN REGIONAL RETIREMENT SYSTEM  
BOARD MEETING MINUTES  
April 30, 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 8:04 a.m. by Board Chair, Sandra Hanks with Board Members Paula Light and David Gendron present. Also present were Executive Director Dale Kowacki and Assistant Director Susan Bobe. Linda Bournival joined the meeting at 9:25 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.

A permanent copy of the agenda, with the exception of those items that are restricted from public viewing, as presented to the Board, is on file in the retirement office.

**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 following minutes:*

*Minutes of the regular meeting held on March 26, 2014*

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

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

<i>Retirees Payroll</i>		<i>\$674,126.66</i>
<i>Refunds</i>		<i>28,137.83</i>
<i>Transfers</i>		<i>32,954.95</i>
<i>Invoices</i>		<i><u>110,565.49</u></i>
<i>Operating</i>	<i>26,129.88</i>	
<i>Investments</i>	<i>81,652.16</i>	
<i>3(8)(c)s</i>	<i>2,783.45</i>	
<i>For a total of:</i>		<i>\$845,784.93</i>

**Cash Transfer between Investments and bank**

*On a motion made by D. Gendron and a second by P. Light, the Board, voted unanimously to transfer \$184,000 from O'Shaughnessy Asset Management, \$105,000 from Polen Capital Management, and \$158,000 from Seizert Capital Partners to Unibank to cover next month's warrants.*

**Membership**

*On a motion made by P. Light and second by D. Gendron, the Board voted*

*unanimously to approve the new and existing members as follows:*

**New Members**

Cuneo, Joseph	03/01/2014	50%	NEW	Fire Chief
Cuneo, Joseph	03/01/2014	50%	WEN	Fire Chief
Parmakian, Pamela	04/14/2014	100%	FCH	Dir. of Leased Housing

**Retirees:**

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

Turner, Richard - The retirement packet has been submitted to PERAC to retire Richard Turner for an Ordinary Disability, Superannuation Option B retirement allowance. His last day of work was November 23, 2012 and his retirement benefit will begin on November 24, 2012. Mr. Turner was a group 1 member working as a Highway Foreman for the Town of Ashfield, accruing 10 years of service

Sanderson, Herbert – The retirement packet has been submitted to PERAC to retire Herbert Sanderson on a Superannuation Option B benefit. His last day of membership in the retirement system was 6/30/2013 and his benefit will begin on 3/24/2014. Mr. Sanderson was a group 1 member working as the Treasurer/Tax Collector in Sunderland, an employee of the Deerfield Transfer Station and the Advisory Council appointed member of the Franklin Regional Retirement Board. He accrued 13 years, 11 months of service.

**Buybacks and Makeups:**

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

Cutter, Cara – current member has requested a make-up of service for work performed between 10/03/2011 and 06/30/2012 for the Pioneer Valley Regional School District immediately prior to her enrollment in this system. Allowable creditable service is 1 month, 7 days for a cost of \$616.30 if paid by 05/31/2014 otherwise interest will accrue as allowed by law.

Rovatti-Leonard, Angela – former member with the Town of Northfield, now working in Montague, has requested a buyback of a refund taken from this system on 11/30/2011. Hire date was 10/16/2007 and she resigned on 9/30/2011. Payroll records indicate service liability for this board to be 3 years, 11 month 15 days if deductions are re-deposited with Montague Retirement Board. Total deductions refunded \$6,501.63 and interest given of \$317.09.

**4(2)(b) Police and Fire Service Credit:**

Jeffrey Gilbert – current member with the Town of Sunderland has the following span of time available for purchase under section 4(2)(b) based on part-time service with the Town of Leverett prior to his full time appointment in Leverett on 7/1/1997:

6/12/1994-8/27/1994 – 1 month, 8 days (50% FRRS; 50% State Board)  
5/28/1995-8/26/1995 - 2 months, 28 days  
10/15/1995-7/1/1997 – 1 year, 8 months 16 days

Total service available 2 years, 0 months, 22 days. Cost is 8% deductions on earnings of \$27,111.01 which is a combination of actual wages and minimum wages as determined by board policy. Interest is added from January 1, 2014 for a total of \$2,151.84 if paid by 5/31/14; otherwise, interest will accrue as allowed by law.

Gary Billings – The Montague Retirement Board will accept 2 years of 4(2)(b) liability for this current member for the period between 9/5/77 and 9/4/79 upon payment to the Franklin Regional Retirement System of 711.48 by 5/31/2014.

In addition, upon payment to the Franklin Regional Retirement System, Montague will accept 8 months, 8 days 3(8)c liability for the period between 9/5/79 and 8/23/84 when Mr. Billings worked on a part-time basis in that town. Cost is \$935.24 if payment is made by 5/31/2014.

Total service available is 2 years, 8 months, 8 days at a cost of \$1,646.72 if paid by 5/31/2014. Mr. Billings is a current member in the Town of Leverett.

Christopher Blair – Current member through the Town of Erving, requests creditable service through c.32, §4(2)(b) for service between 10/21/1996 and 6/10/1999. Total service is 2 years, 7 months, 20 days at a cost of \$1,941.17 if paid by 5/31/2014. Cost of the service is based on deductions for earnings based on the minimum \$5000 (pro-rated) for 3 years and regular earnings for the final year as it was greater than \$5K.

*On a motion made by P. Light and a second by D. Gendron, the Board voted unanimously to approve the following additional makeup for Mr. Blair:*

In addition, Mr. Blair has 5 months, 10 days of service available for purchase based on work in the Town of Northfield between 10/1/1994 and 10/20/1996 determined by calculating actual hours worked and payroll records provided by the treasurer. Total cost if paid by 5/31/2014 is \$1,122.17 otherwise interest will accrue as allowed by law.

### Deaths:

Martinelli, Richard – option B retiree since 10/03/1996, Mr. Martinelli was a foreman for the Town of Orange Water Department, accruing 31 years, 3 months of creditable service. DOD was 03/27/2014.

### General Business:

#### 2013 Annual report ready for submittal:

*On a motion made by P. Light and a second by D. Gendron, the Board voted unanimously to accept the 2013 Annual Report as prepared by staff to be submitted to the Public Employee Retirement Administration Commission.*

#### Start election for Third Board Member

Mary Stokarski's one year term is ending on 12/31/2014 so an election will need to be scheduled for this fall. The first step is to appoint the 'election officer.'

*On a motion made by P. Light and a second by D. Gendron, the Board voted unanimously to appoint Executive Director Dale Kowacki to be the Election Officer for the 2014 Election process.*

12(2)(d) benefit for Matthew Taylor – Mr. Taylor is the surviving spouse of an FRRS inactive member, Kristina Taylor. Kristina worked in the Town of Shutesbury as an After School Program Director for four years. She died on 11/8/2013 with funds still on record. Mr. Taylor meets all of the criteria for receiving a 12(2)(d) benefit from this system.

*On a motion made by D. Gendron and a second by P. Light, the Board voted unanimously to approve the 12(2)(d) survivor benefit for Matthew Taylor.*

#### Warwick application for Involuntary Disability retirement of William Arsenault

*On a motion made by P. Light and a second by D. Gendron, the Board voted unanimously to accept the opinion of its Counsel to collect additional medical information as noted in Counsel's letter and then request the Public Employee Retirement Administration Commission to schedule a medical panel review for Involuntary Accidental Disability applicant William Arsenault.*

#### Possible correction of prior 4(2)(b) service credit

The Board reviewed and discussed the 4(2)(b) service credit approved for Scott Livingston in 2005. In 2007 Mr. Livingston transferred to Worcester Regional. Mr. Livingston was granted 5 full years of 4(2)(b) service but charged only for the "membership service" within the 5 years. However, the new Board policy stipulates the following:

*“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.*

Executive Director Kowacki asked the Board if the policy would also apply to situations where the person is no longer a member in our system. Under the new policy, Mr. Livingston would owe an additional \$1,267.86 for the 5 years of service. Attorney Michael Sacco, who disclosed that he was also the Attorney for Worcester Regional, advised the Board that if Mr. Livingston pays the additional amount to Worcester Regional, then the 5 years will remain, otherwise, the Board should reduce the amount of service to the 11 months of membership service already paid. Executive Director Kowacki also consulted with Worcester, and they said they would abide by the Board’s decision and accept any payment from Mr. Livingston.

*On a motion made by D. Gendron and a second by P. Light, the Board voted unanimously to remain consistent with the written policy on 4(2)(b) service credit purchases and to request payment of previously accepted and subsequently transferred service credit for Scott Livingston. The Board further instructed the Executive Director to send a letter to Scott Livingston and the Director of the Worcester Regional Board informing both of this vote and the waiver of any interest due through June 1, 2014.*

**Dale Kowacki reported on various projects:**

Policy of inactive members purchasing service – still waiting for PERAC to respond to a letter requesting an opinion.

Status report on transferred service credit review - There are 25 file drawers of refunded or transferred members with approximately 400 files per drawer, of which maybe 50 of those records have been transferred to other Boards. About one half of the first drawer has been looked at with 11 records pulled for further review.

Hand out “Standard Rules for Disclosure of Information” – An email was sent to staff and Board members reminding everyone to review the policy. This is done on an annual basis.

Collect Ethics paperwork and signatures – The three Board members present signed a receipt acknowledging that they received the Summary of Conflict of Interest Law.

**9:25 am - Linda Bournival, Actuary, joined the meeting to discuss a possible change in the actuarial method**

Ms. Bournival has been contracted to provide the actuarial study as of 1/1/2014 and was present to explain the salary allocation method of determining the unfunded liability and annual appropriation for each unit versus the actuarial allocation method. In the second approach the assets are allocated to each unit based on retirement cost and contribution. Each year, the assets are brought forward with the earnings and net cash flow by unit. There are variations of the method. It was decided that Ms. Bournival would provide that Board with a report showing each method prior to finalizing the study in order for the Board to determine the impact of changing to the actuarial method. She expects a draft to be available as soon as July, 2014 and will coordinate her next meeting with the Board through Dale. In the meantime, Dale will broach the subject with the units.

**Ajournment**

*On a motion made by D. Gendron and a second by P. Light, the Board voted to adjourn the meeting at 10:41 a.m.*

Respectfully submitted,

**THESE MINUTES WERE APPROVED MAY 28, 2014**

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Dale C. Kowacki, Executive Director

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Sandra A. Hanks, Chair and Treasurer

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Paula J. Light, Council Member

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David R. Gendron, Vice Chair

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**ABSENT**  
Mary A. Stokarski, Board Member

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**ABSENT**  
Paul J. Mokrzecki, Board Member