

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
September 24, 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 8:05 a.m. by Board Chair, Sandra Hanks with Board Members Mary Stokarski and David Gendron present. Also present was Executive Director Dale Kowacki and Assistant Director Susan Bobe.

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 M. Stokarski, the Board voted unanimously to approve the minutes of the regular meeting held on August 27, 2014.

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>\$679,172.14</i>
<i>Refunds</i>		<i>8,164.90</i>
<i>FRCOG Transfer to State Board</i>		<i>1,912,467.64</i>
<i>Invoices</i>		<i><u>419,201.34</u></i>
<i>Operating</i>	<i>31,138.34</i>	
<i>Investments</i>	<i>0.00</i>	
<i>Appropriation Returned to FRCOG</i>	<i>388,063.00</i>	
<i>For a total of:</i>		<i>\$3,019,006.02</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 \$\$550,000 from O'Shaughnessy to Unibank to cover September warrants and \$724,000 from PRIT Core Fund to Unibank to cover October warrants.

Membership

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

New Members

Cabezas, Lynn	08/27/2014	100%	FRN	Instructional Assistant
Dean, Eric	08/11/2014	100%	MOH	Maintenance
Dowd, Rachel	08/27/2014	90%	PNR	Library Paraprofessional
Drumgool, Timothy	09/01/2014	100%	DER	EMT - Basic
Flynn, Mary	08/25/2014	70%	NSW	Paraprofessional
Hicks, Jacqueline	08/27/2014	90%	PNR	SPED Paraprofessional
Hodges, David	08/13/2014	100%	BUC	Laborer
Humphries, Mary	08/27/2014	90%	PNR	SPED Paraprofessional
Kratz, Meghan	09/08/2014	90%	PNR	SPED Paraprofessional
Kruczkowski, Stacy	08/27/2014	90%	PNR	Classroom Paraprofessional
Kusmaul, Alia	09/01/2014	100%	DER	EMT - Basic
Lemelin, Catherine	08/14/2014	100%	MOH	Secretary/Attendance Clerk
Leno, Betty	08/27/2014	90%	PNR	SPED Paraprofessional
Nail, Tammy	08/13/2014	100%	MHR	SPED Paraprofessional
Skiffington, Sarah	08/27/2014	70%	PNR	SPED Paraprofessional
Thompson, Kevin	08/27/2014	100%	FRN	Instructional Assistant
White, Amanda	08/18/2014	100%	FCH	Leased Housing Representative

Existing Members

McMillen, Judith	08/27/2014	80%	FRN	LPN/Instructional Assistant
Muszynski, Anthony	09/01/2014	100%	DER	EMT
Sibley, Lynn	08/12/2014	45%	SHB	Treasurer

New Retirees

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

March, Mary Ellen – The retirement package has been submitted to PERAC to retire Mary Ellen March for a Superannuation Option B benefit. Her last day of work was July 31, 2014 and her first day of benefit will be August 1, 2014. Ms. March was a group 1 member working as a secretary in the Mohawk Trail Regional School District, accruing 27 years of service.

Rohrs, David – The retirement package has been submitted to PERAC to retire David Rohrs for a Superannuation Option C benefit. His last day of work was May 5, 2014 and his first day of benefit will be June 19, 2014. Mr. Rohrs was a group 1 member, serving as an Assessor for the Town of Deerfield, accruing 15 years of creditable service. He also purchased his Active Duty Military time for an additional 4 years. Total creditable service is 19 years.

Wasielewski, Karen – The retirement package has been submitted to PERAC to retire Karen Wasielewski for a Superannuation Option B benefit. Her last day of work was 6/28/2002 and her first day of benefit will be 6/20/2014. Ms. Wasielewski was a group 1 member working for the Franklin Regional Housing and Redevelopment Authority, accruing 11 years, 4 months of creditable service.

Buybacks and Makeups:

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

Accept Liability for Buybacks and Makeups Through Other Systems:

Pease, Tammy – member with the Pittsfield Retirement Board (PRB). PRB has asked for a transfer of Ms. Pease’s funds to their Board. In preparing the transfer it was recognized that Ms. Pease had a break in her service in 2007 and received a refund of her accumulated deductions in June, 2011. She was rehired by Sunderland in 2012. The refunded deductions, if she chooses to redeposit, will be paid to PRB. Total refund was for \$4,853.31 which included \$4,016.38 in deductions and \$836.93 in interest calculated at the rate of 3%. FRRS will accept liability for 4 years, 1 month, 11 days creditable service.

Pelis, Susan – member of MTRS, has requested information on a refund of accumulated deductions taken in August 1995. Service was in Shutesbury as a teacher’s aide for the 1988-1989 school year. Allowable service in this period was actual hours worked with the stipulation that full time (7.5 hour days) seasonal work of at least 7 months was granted one full year of service. Although the signed employment agreement for Ms. Pelis indicates 7.5 hours per day for 182 days at a rate of \$6.99 p/h for a total annual salary of \$9,541.35, the deduction record shows earnings of \$7,402.25. Deductions were received consistently between September 1988 and June 1989. Payroll records have not been found. If it is assumed that the 182 days of the contract were fulfilled, however, the daily hours are calculated to be approximately 5.8 hours per day, thereby indicating prorated service. Should Ms. Pelis choose to re-deposit this service, payment would be made to MTRS. Allowable creditable service that FRRS will accept for liability is 6 months, 16 days of prorated service.

Buybacks and Makeups through this system:

Ormond, Richard – current member in the Town of Shelburne, Mr. Ormond took a refund of his accumulated deductions on 11/30/1997 for service performed in Shelburne between 4/23/1990 and 1/9/1997. The refund included \$11,763.10 in deductions and \$630.95 in interest for a total of \$12,394.05. The cost of the buyback is calculated using the full actuarial rate of 7.875% for interest. The total amount is \$44,433.32 if paid by September 30, 2014 otherwise interest will continue to accrue as allowed by law. Allowable service is 6 years, 8 months, 17 days.

Military Buybacks:

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

Dufresne, Jr., Walter – current member of the Mohawk Trail Regional School District has requested a purchase of his military active duty time. A DD214 has been provided showing a total of 3 years. The total cost of his buyback, based on 10% of his first 12 months of earnings as a member of the Franklin Regional Retirement System is \$10,802.81 (10% times 3 years) if paid by October 31, 2014 otherwise interest will accrue as allowed by law. (1st year salary was \$36,009.38.)

Deaths:

Barber, Nellie – Option B retiree since 06/30/1986, Mrs. Barber was a cafeteria worker at Pioneer Valley Regional School, accruing 28 years, 6 months of creditable service. DOD was 09/07/2014 at the age of 94. No annuity balance remains.

Bolduc, Marion - Option A retiree since 06/30/1989, Mrs. Bolduc retired as the cafeteria manager at Buckland-Shelburne Regional School, accruing 20 years, 6 months of creditable service. DOD was 08/31/2014 at the age of 95.

Calcari, Harold Sr. – Option A retiree since 11/01/1995, Mr. Calcari was head custodian at the Butterfield School, accruing 10 years, 7 months of creditable service. DOD was 9/15/2014 at the age of 84.

Zaik, Chester – Option C retiree since 06/30/1989, who popped-up to Option A on 07/13/1999, Mr. Zaik worked as an assistant assessor for Easthampton from 1967 – 1984 and as an assessor consultant for Franklin County from 1984 – 1989, accruing 23 years of creditable service. DOD was 08/25/2014 at the age of 93.

General Business:

Proposal to add Auditor position to staff

The job description and the title of the position were reviewed by the Board as well as the placement of the position on the salary scale. All agreed that the position will be beneficial to the Retirement System as well as cost effective by insuring accuracy and the shift of the tasks will allow the Executive Director to focus on system improvements and outreach with the treasurers. Dale proposed offering the Auditor position to Deb Frentzos and the Member Service Accountant position to Patty Leveille, and then conduct a search for the Administrative Assistant position.

On a motion made by M. Stokarski and second by D. Gendron, the Board voted unanimously to place the Auditor position at Grade 11 on the salary scale.

On a motion made by D. Gendron and a second by M. Stokarski, the Board voted unanimously to offer the position of Auditor to Deb Frentzos with a starting

salary at the mid-range, and the Member Service Accountant position to Patty Leveille at the starting salary level, and to advertise for the position of Administrative Assistant.

2015 Draft Proposed Budget

The budget was presented to the Board after the discussion about adding a position so the following changes were suggested.

- review options for purchase of a computer and desk space for the new position from unused funds in the 2014 budget (instead of funding in 2015)
- adjust salary lines to reflect the proposed staff changes as well as a new position

Cash in lieu of Health Insurance

In the course of discussion of the budget, the Board expressed an interest in offering cash in lieu of insurance to employees that subscribe elsewhere for health insurance. Dale requested of Susan that she resurrect the previous proposal from a number of years ago and present an updated version to the Board at its November or December meetings.

Update on FRCOG Transfer

The Board was presented with, and signed the warrant earlier in the meeting. A total of 40 accounts will be transferred to the State Board of Retirement effective 9/30/2014. Checks, letters of liability acceptance and various documents from individual files are expected to be mailed the first week of October. All service liability for these employees ended effective 6/30/2014.

Discussion of PERAC forum on GASB 67 & 68 Implementation

Dale gave the highlights of the information presented at the PERAC Emerging Issues Forum on September 11, 2014. GASB 67 requires the Actuarial Valuation to be reviewed and certified by an Audit and GASB 68 refers to the responsibility of the town/district treasurers to report their share of the unfunded liability. The Melanson Heath accounting firm presented at the forum and opines that complying with GASB 67 will require an annual audit by a CPA firm. The implementation procedures for GASB 67 and 68 are as yet undetermined, but Dale is hoping it will suffice to have audits done less frequently and save the added expense. There is also some guessing by other systems that the auditors of individual towns will have to do an additional audit of our audit, but Dale believes that a simple review of our auditor's work will suffice in the towns' audits, and he finds support for that belief in the Melanson Heath presentation.

Policy on distance from office for allowing overnight stays

Upon review of past minutes Dale found one vote regarding hotel expenses for conference attendees. At the May 2000 Board meeting a motion was made and approved for a travel policy allowing an overnight stay if a conference attendee was traveling beyond a 30 mile radius of Greenfield. The Board would like to update this policy and asked Dale to present a revised policy at the next meeting

that includes stipulations about the duration of the conference, distance from the office versus home of participant, and consideration of early start or late finish of the day's events.

Update on building security

Dale presented the landlord, Paul Viens, with a letter describing his and the Board's concerns regarding building security. Mr. Viens shared his recent activity to address these concerns including the non-renewal of one tenant's lease, installing security cameras, and discussing security policy and procedure with other tenants to insure that the building is locked after use during non-typical work hours. The Board commended the letter and asked that a report on security updates be part of the future meetings.

Disability Medical Panel report – William Arsenault

On a motion made by D. Gendron and second by M. Stokarski, the Board voted unanimously to accept the opinion of Attorney Michael Sacco and approve the Accidental Disability Retirement allowance for William Arsenault.

Ajournment

On a motion made by M. Stokarski and a second by D. Gendron, the Board voted to adjourn the meeting at 9:45 a.m.

Respectfully submitted,

THESE MINUTES WERE APPROVED ON OCTOBER 29, 2014

Dale C. Kowacki, Executive Director

Sandra A. Hanks, Chair and Treasurer

ABSENT
Paula J. Light, Council Member

David R. Gendron, Vice Chair

Mary A. Stokarski, Board Member

ABSENT

Paul J. Mokrzecki, Board Member