

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
February 4, 2015

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, Mary Stokarski, and David Gendron present. Also present was Executive Director Dale Kowacki, Assistant Director Susan Bobe and Auditor Deb Frenzoz. Attorney Michael Sacco, legal counsel to the Board joined the meeting at 8:30 a.m. and Attorney Katherine Lamondia-Wrinkle, legal counsel to Mr. Sibley joined the meeting at 8:34 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 M. Stokarski and second by D. Gendron, the Board voted unanimously to approve the following minutes:

*Revote of minutes of the special meeting held on March 11, 2013
Minutes of the special meeting held on December 12, 2014
Minutes of the regular meeting held on December 17, 2014*

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:

<i>Retirees Payroll</i>	<i>\$674,662.01</i>
<i>Refunds</i>	<i>15,625.38</i>
<i>Transfers</i>	<i>15,918.70</i>
<i>Invoices 13-14W</i>	<i>59,411.39</i>
<i>Invoices 01-15W</i>	<i><u>720,768.67</u></i>
<i>Operating</i>	<i>73,954.33</i>
<i>Investments</i>	<i>10,403.87</i>
<i>3(8)c pmts to other Boards</i>	<i>695,821.86</i>
<i>For a total of:</i>	<i>\$1,486,386.15</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 \$193,000 from Polen Capital to Unibank to cover February 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

Barilla, Ariel	01/05/2015	100%	NSW	Secretary
Dobosz, Kathryn	01/05/2015	100%	FRN	LPN/Instructional Assistant
Finn, Douglas	12/08/2014	100%	DER	Exec. Asst. to Town Admin
Howe, Richard	11/24/2014	100%	SHB	Highway Dept. Operator
Mazanec, Jacob	09/17/2014	100%	MOH	SPED Aide
McMahon, Lillian	12/03/2014	100%	NSW	SPED Teacher's Aide
Nowakoski, Virginia	10/23/2014	100%	DER	Instructional Assistant
Obringer, Mark	12/01/2014	100%	BUC	Truck Driver/Operator
Peppercorn, Wendy	01/01/2015	50%	WTY	Library Director
Thompson, Lillian	11/17/2014	100%	OGE	Individual Aide

Existing Members

Cournoyer, Lynn	01/05/2015	100%	FCR	Administrative Assistant
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New Retirees:

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

Guertin, Elaine – the retirement package has been submitted to PERAC to retire Elaine Guertin for a Superannuation Option A benefit. Her last day of work was October 31, 2014 and her first day of benefit will be November 1, 2014. Ms. Guertin was a group 1 member working as an Instructional Aide in the Town of Orange school department, accruing 12 years, 2 months, and 18 days of service.

Buybacks and Makeups:

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

Boucher, Catia – current member with the Town of Orange was hired into a membership eligible position on 11/4/2013. Due to administrative error, deductions were not taken on regular compensation for FRRS until 2/24/2014. Upon approval by the Board, Ms. Boucher will be informed that she may purchase 4 months, 12 days of service for deductions only of \$479.74. Service is adjusted for a school year contract. Interest will begin to accrue on 3/1/2015.

Adams-Pullen, Mari-Jon – current member with the Franklin County Housing Authority has requested a buyback of a refund taken on December 23, 1983 from the State Board of Retirement. The State Board will accept 1 year, 7 months, 20 days of service for work between January 3, 1982 and August 22, 1983. The refund included \$1,073.39 in deductions and \$53.45 in interest for

a total of \$1,126.84. The cost of the buyback is calculated using the full actuarial rate of 7.75% for interest and totals \$11,619.00 if paid by 2/28/2015; otherwise interest will accrue as allowed by law.

Boudreau, Janice – current member with the Town of Rowe has requested a buyback of a refund taken on March 30, 1998 in the amount of \$1,250.26 with 1 year, 3 months, 17 days of creditable service. Amount of repayment is \$2,386.57 if paid by February 28, 2015; otherwise the interest will accrue as allowed by law. Interest added to the above service purchase has been calculated at ½ the actuarial rate.

Tresback, Joann - current member in the Mahar Regional School District. On October 27, 2009 the Board voted to approve a make-up purchase of 5 months, 3 days of creditable service between August 31, 1987 and February 3, 1988 in the amount of \$291.00. Payment in full was received June 6, 2011. Upon review of her file, she was not credited with 12 for 10 school-year conversion. A correction adding an additional 1 month, 1 day of creditable service is due for a total of 6 months, 4 days of creditable service between August 31, 1987 and February 3, 1988. There is no cost to the member.

Cross, Candace – current member with the Town of Orange. On May 30, 2006 the Board voted to approve a make-up purchase of 1 year, 2 months, 10 days of creditable service between February 12, 1988 and May 24, 1991 in the amount of \$1,276.89. Payment was made in full through payroll deductions beginning in March 2007 and ending in February 2009. However, during preparations for retirement, it was realized that the amount of service needs correcting. Per regulations in effect in 1988 she should have been a member as she met the \$2,000 annual wage criteria. In addition, a member is to be given creditable full time service retroactive to the date of membership if they were an active member on or after February 27, 1997. She was an active member on February 27, 1997. Her revised creditable service using the new start and end dates of January 26, 1988 and May 21, 1991 should be 3 years, 3 months, 26 days. Start and end dates were verified through payroll records. There is no cost to the member.

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

On a motion made by M. Stokarski and a second by P. Light, the Board voted unanimously to approve the following 4(2)(b) Police and Fire Service Credit:

Danna, Garrett G. – member in the Town of Deerfield noted on his enrollment form, 2/1/2014, that he had prior service in Deerfield as a reserve, part-time police officer. Payroll records were obtained and his service reviewed for 4(2)(b) allowance. Based on current rules for 4(2)(b) service, Mr. Danna may purchase 1 year, 3 months, 21 days of service for police work performed in Deerfield between 10/11/2012 and his enrollment on 2/1/2014. Cost of the purchase is \$1,141.01 if paid by 2/28/2015 and includes deductions that would have been paid on a minimum of \$5000 annually or actual earnings, whichever is greater with interest added to the balance beginning 1/1/2014.

Kilhart, Timothy – a transfer request has been received from the Worcester Regional Retirement Board for this inactive member. Mr. Kilhart served on the Orange fire department call list beginning in 1979. In 1991 he became a member of this system and continued his work as a permanent call firefighter/EMT. In 1999 he joined the Orange Highway department as a full-time employee and in 2006 moved to the Warwick Highway department. In 2013 he took a position in Hubbardston. Upon review of his record, it was noted that 4(2)b service had been approved in 2001 and additional ‘non-membership’ service had also been approved and purchased.

Consistent with policy, and with the handling of the Scott Livingston file, the 4(2)(b) service has been adjusted and a cost has been attached. The ‘non-membership’ service purchase was affected by the adjustment and has been recalculated as well. The changes are as follows:

	2001 Approved Service	Cost	2015 Changes	Cost
4(2)b service	5 years total service between 1991-1999	Awarded for deductions that had already been recorded.	5 years total service from 9/19/1979-9/18/1984	\$1,750 if paid by 2/28/15 based on \$5,000 min earnings p/year
'Non Membership' Service	7 months actual service rendered between 1980-1987	\$651.78	1 month, 15 days actual service rendered between Nov. 1984-1987	\$381.72 if paid by 2/28/15
Membership Service			6 months, 7 days actual service rendered between 9/25/1991-10/31/1999	deductions paid
Total		\$651.78		\$2,131.72 - 651.78 \$1,479.94

As noted in the chart, the Board approved a total of 5 years, 7 months of service for Mr. Kilhart in 2001. The cost was \$651.78 and included deductions received between 1991-1999. The change based on new policy increases the total allowable service time to 5 years, 7 months, 22 days at an additional cost of \$1,479.94 if paid by February 28, 2015, otherwise interest will accrue as allowed by law.

Military Buybacks:

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

Berry, Dennis – current member of the Mahar Regional School District has requested a purchase of his military active duty time. A DD214 has been provided showing a total of 2 years, 11 months, 29 days. The total cost of his buyback based on his first 12 months of earnings as a member of the Montague Retirement System is \$17,099.85 if paid by February 28, 2015 otherwise interest will accrue as allowed by law. (1st year salary was \$57,072.27 based on actual wages with payroll provided by Gill-Montague.)

General Business:

Travel approval for MACRS meetings

On a motion made by D. Gendron and a second by P. Light, the Board voted unanimously to approve the attendance and travel of Board members and staff to both the Spring 2015 and the Fall 2015 MACRS meeting.

Retirees' COLA for July 1

On a motion made by D. Gendron and a second by P. Light, the Board voted unanimously to approve a 1.7% Cost-of-living-allowance for retirees starting July 1, 2015 with the option to increase to 3% at the February 25, 2015 meeting.

After some discussion, the Board decided to postpone this until the February Board meeting.

On a motion made by D. Gendron and a second by P. Light, the Board voted unanimously to rescind the vote to approve a 1.7% Cost-of-living-allowance for retirees starting July 1, 2015.

Increase Retirees' COLA Base from \$15K

On a motion made by D. Gendron and a second by P. Light, the Board voted unanimously to increase the maximum COLA base for the retirees' annual COLA to \$16,000 starting July 1, 2015.

Hearing for Michael Sibley regarding disability application

At 8:34 a.m. Attorney Katherine Lamondia-Wrinkle, legal counsel to Mr. Sibley joined the meeting for the purpose of a hearing in support of Mr. Sibley's application for accidental disability allowance.

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

At 8:35 a.m., the Board voted in the affirmative, by roll call vote, to move into Executive Session. Mary Stokarski – aye; Paula Light – aye; Sandra Hanks – aye; David Gendron – aye.

In executive session:

Board Attorney Michael Sacco recommended that the Board deny Mr. Sibley's application for disability as a matter of law without convening a medical panel.

On a motion made by D. Gendron, and a second by M. Stokarski, the Board

voted unanimously to deny Mr. Sibley's accidental disability application.

A motion to come out of executive session as made at 8:42 a.m. and accepted by roll call vote. Roll call Vote: Mary Stokarski – aye; Paula Light – aye; Sandra Hanks – aye; David Gendron - aye.

Change in regular day for Board meetings

After a brief discussion regarding change in regular day for Board meetings to accommodate board member Paul Mokrzecki the Board voted the following:

On a motion made by D. Gendron and a second by P. Light, the Board voted unanimously to change the Board meeting day to the last Tuesday of the month for the January, April, July and October meeting dates.

Vacation credit for new employee

Our personnel policy includes the provision that employees can include prior municipal service in the calculation of their rate of annual vacation accrual. Lynn worked full-time with the Franklin Regional Housing Authority for 1 year, 4 months, 2 days (from 9/3/2013 to 1/4/2015), has provided documentation, and would like the Board to approve the service and allow her to accrue vacation credit to add to what she will earn with us.

On a motion made by P. Light and a second by M. Stokarski, the Board voted unanimously to approve the vacation credit for Lynn Cournoyer.

In addition, the Board requested this topic be brought back at a future date for further discussion.

Litigation strategy

At 8:58 a.m., the Board voted in the affirmative, by roll call vote, to move into Executive Session. Mary Stokarski – aye; Paula Light – aye; Sandra Hanks – aye; David Gendron – aye.

No action, or votes, taken in executive session.

A motion to come out of executive session as made at 10:14 a.m. and accepted by roll call vote. Roll call Vote: Mary Stokarski – aye; Paula Light – aye; Sandra Hanks – aye; David Gendron - aye.

Ajournment

On a motion made by D. Gendron and a second by P. Light, the Board voted to adjourn the meeting at 10:16 a.m.

Respectfully submitted,

THESE MINUTES WERE APPROVED ON MARCH 25, 2015

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

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Paul J. Mokrzecki, Board Member

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