

FRANKLIN REGIONAL RETIREMENT SYSTEM  
BOARD MEETING MINUTES  
April 26, 2016

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 8:00 a.m. by Board Chair, Sandra Hanks with Board Members Paul Light, Paul Mokrzecki, Mary Stokarski, and David Gendron present. Also present were Executive Director Dale Kowacki, Assistant Director Susan Bobe, and Auditor Deb Frentzos.

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 March 30, 2016.*

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

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

<i>Retirees Payroll</i>	<i>\$748,654.03</i>
<i>Refunds</i>	<i>2,330.30</i>
<i>Transfers</i>	<i>31,794.45</i>
<i>Invoices 04-16W</i>	<i><u>117,587.30</u></i>
<i>Operating</i>	<i>42,723.48</i>
<i>Investments</i>	<i>45,670.66</i>
<i>3(8)c pmts to other Boards</i>	<i>29,193.16</i>
 <i>For a total of:</i>	 <i>\$900,366.08</i>

**Cash Transfer between Investments and bank**

*On a motion made by D. Gendron and second by M. Stokarski, the Board voted unanimously to transfer \$735,000 from PRIT Core Fund to Unibank to cover next month's warrants.*

**Membership**

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

**Membership**

**New Members**

Griffin, Brent W	04/01/2016	100%	DER	Patrol Officer
Van Buren, Keith M	04/04/2016	100%	FRN	Information Tech. Specialist
Wolkowicz, Catherine D	03/28/2016	90%	FCH	Finance Director
Peters, Benjamin R	04/13/2016	100%	SND	Police Officer
Massa, Thomas E	03/21/2016	100%	MOH	Para Professional
Gaffigan, Adam R	03/07/2016	100%	MOH	Para Professional
Crossman, Maura A	03/18/2016	100%	MOH	Para Professional

**New Retirees:**

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

Hamdan, Sonya - the retirement package to retire Sonya R. Hamdan for a Superannuation, Option B retirement allowance is being postponed from submittal to PERAC until receipt from Mohawk of additional, final payroll records and deductions that will add additional days. However, she is on the retiree payroll for this month because her paperwork was ready, but for a lesser amount because of the fewer days, and she has waited more than two months for her first benefit payment. Staff requests Board approval to start payments, at the lesser amount, this month, and staff will notify the Board next month when the paperwork is finalized and submitted to PERAC – and subsequent increase in benefit.

Originally her last day of work was February 22, 2016, but with Mohawk’s discovery of missing payment for additional days, her correct last day is February 26, 2016. Her retirement benefit will now begin on February 27, 2016.

Ms. Hamdan was a group 1 member working as a cafeteria manager for the Mohawk Regional School District, accruing 20 years (was 19 years, 11 months) of creditable service.

**Buybacks and Makeups:**

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

Levasseur, Veronica – current member in the Mahar Regional School District has requested a makeup of non-membership service for the following time periods:

A) The Treasurer provided W-2 and payroll records. Creditable service equal to number of contract days worked in a school year adjusted for school-year equivalent:

Athol-Royalston Regional School District - substitute  
April 17, 2000 to April 28, 2000 = 5 days  
Cost is deductions plus interest thru May = \$25.88

B) The member provided copies of W-2's. Creditable service is equal to full time service rate for a school year. Hours calculated using 2x MA minimum wage:

Narragansett Regional School District – substitute  
1999 to 2001 = 4 months, 25 days  
Cost is deductions plus interest thru May = \$1,066.20

Donnis, Anne – current member in the Frontier Regional School District, food service department, has requested a buyback of a refund taken from the Hampshire County Retirement System for time worked from 8/31/1998 to 9/6/2000 and 11/3/2000 to 11/9/2000. Hampshire County Retirement will accept service of 1 year, 1 month. Total cost is \$5,017.71 if paid by May 31, 2016; otherwise interest will accrue as allowed by law.

**Deaths:**

Ashworth, Robert – Option B retiree since 03/21/2011, Mr. Ashworth was a custodian for the Town of Orange School Department, accruing 12 years, 6 months of creditable service. DOD was 03/26/2016 at the age of 73. His wife, Susanne, will be receiving the balance in his annuity account.

**New Business:**

Margaret Dyer letter of appeal – G.L. c.32 §90(G) (3/4) Turning Age 70

An appeal letter received 4/25/2016 from Margaret Dyer addressed to Board Chair, Sandra Hanks was distributed to the Board members.

Margaret is requesting the Board to reconsider allowing her to purchase her creditable service to present even though an application to continue deductions beyond the age of 70 was not returned to the retirement office.

Margaret Dyer, an active member with the Town of Orange, was sent two notices (December 11, 2007 and August 4, 2010) requesting Margaret to complete the form: *Application by Member Requesting to Continue Contributions Beyond Age 70*. Margaret Dyer turned age 70 March 3, 2008. Since there was no response to either notice or the receipt of the application, we requested the Town of Orange treasurer to stop retirement deductions effective October 6, 2010 (a copy of the request was sent to the member as well). A letter sent to Margaret December 4, 2015 informed her that any regular compensation earned following the last day of the month in which she turned 70 (March 2008) cannot be used to calculate her retirement allowance and no additional creditable service will accrue.

Margaret is contemplating retiring and has been informed that she is not vested and therefore not eligible for a retirement benefit. A member must have at least 10 years of creditable service to be eligible for a benefit. In Margaret's case, she has 8 years, 8 months of creditable service (8/1/1999 – 03/31/2008).

The Board asked staff to include this issue on the May agenda and to seek legal advice from Board Attorney, Michael Sacco as to the Board's authority to override the provisions of G.L. c. 32, §90(G)(3/4).

### **General Business:**

#### **Alana Mankowski – MTRS request for liability reconsideration**

Mass Teachers has made the following request that FRRS reverse policy and accept liability, at least on this one, for service when Alana "should have been a member". If FRRS took the liability, Mass Teachers says they would waive the interest when Alana purchased the service.

What's at play here is the amount of interest this person would have to pay. Prior to 2013, Board policy was that FRRS would accept liability when the person "should-have-been-a-member", and subsequently MTRS would waive the interest. In 2013 the FRRB changed the rules and decided to deny liability regardless of membership eligibility (see below reference to July 31, 2013 minutes).

#### **July 31, 2013 Board minutes**

##### **Liability for non-membership service and "erroneous exclusion"**

FRRS receives many requests from Massachusetts Teacher's Retirement System in regard to accepting liability for what we call 'non-membership service.' This is service for which no funds were ever received yet work was performed in a participating unit. We would like the Board to consider their position on the acceptance of such liability based on 'administrative error or erroneous exclusion'.

Current Board policy mandates that only current members may purchase the service unless the member was erroneously excluded (i.e. administrative error) and then the Board will accept the liability even if the member is no longer in FRRS.

The following request from MTRS asking FRRS if it will accept liability was presented to the Board as a makeup:

Janet Ducharme was a Title 1 Aide in New Salem/Wendell, working 30 hours per week from 9/19/1975-4/16/1976. Following that, they were a Title 1 Aide in Shutesbury, working 35 hours per week, from 9/8/1976-4/15/1977.

A motion was made by D. Gendron and a second by M. Stokarski, to deny acceptance of the liability on the above service, however, upon further discussion, the above motion was withdrawn by D.Gendron and a second by M. Stokarski.

After additional review of the Board's policy regarding non-membership service liability requests from other Boards, the Board voted to change its policy as follows.

*On a motion by D. Gendron and a second by M. Stokarski, the Board unanimously voted to accept the following revision to the Buybacks and Makeups section of the Supplemental Policy as written below.*

"Individuals who are not current members of the system will not be allowed to buy back creditable service for time the individual was employed by a member unit **but not eligible regardless of eligibility** for membership in the Franklin Regional Retirement System."

It was noted that a request for non-membership service liability can always be presented to the Board for a case-by-case review.

*On a motion made by D. Gendron and second by P. Mokrzecki, the Board voted unanimously to follow the current service liability policy and deny liability for Alana Mankowsky regardless of eligibility.*

System credit card – regulations and procurement

Dale Kowacki, Executive Director, asked the Board to consider obtaining a credit card for the system. Up to this point Dale has been using his personal credit card to buy supplies and equipment online and reserve hotel rooms. Dale then submits receipts for reimbursement.

After a brief discussion, the Board agreed that the system should have a credit card. In addition, the Board asked staff to present a draft policy to the Board at the May meeting establishing criteria governing the authorized use of a system credit card.

*On a motion made by D. Gendron and second by P. Light, the Board voted unanimously to obtain a credit card for the system.*

William Stratford – change Ordinary Disability Application to ‘Either Ordinary or Accidental’

Susan Bobe, Assistant Director informed the Board that Mr. Stratford and his legal counsel have requested to change his application from an Ordinary Disability to either Ordinary or Accidental disability. Susan stated that the process is at a standstill until we hear from Mr. Stratford or his attorney.

No action, or votes, taken at this time.

Pay second third of the past due 3(8)(c) bill to the State Retirement :

No action, or votes, taken at this time.

**Adjournment**

*On a motion made by P. Mokrzecki and a second by P. Light, the Board voted to adjourn the meeting at 8:50 a.m.*

*On a motion made by P. Mokrzecki and a second by P. Light, the Board voted to rescind the vote to adjourn and re-open the meeting to discuss business emails received by the Board members via personal email accounts.*

**New Business:**

Business emails received by the Board members via personal email accounts.

The Board and staff discussed if there are any concerns around receiving business emails via their private and or work email accounts.

No action, or votes, taken at this time.

**Adjournment**

*On a motion made by D. Gendron and a second by P. Mokrzecki, the Board voted to adjourn the meeting at 9:11a.m.*

Respectfully submitted,

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Dale C. Kowacki, Executive Director

THESE MINUTES WERE APPROVED ON MAY 25, 2016

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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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Mary A. Stokarski, Board Member

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Paul J. Mokrzecki, Board Member