

FRANKLIN REGIONAL RETIREMENT SYSTEM  
BOARD MEETING MINUTES  
June 28, 2017

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 Mary Stokarski, Paula Light, Paul Mokrzecki and Gabriele Voelker present. Also present were 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 as presented to the Board, with the exception of those items that are restricted from public viewing, is on file in the retirement office.

**Review and Acceptance of Meeting Minutes**

*On a motion made by G. Voelker and second by P. Mokrzecki, the Board voted unanimously to approve the minutes of the regular meeting held on May 31, 2017.*

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

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

<i>Retirees Payroll</i>	<i>\$797,526.86</i>
<i>Refunds</i>	<i>16,390.64</i>
<i>Transfers</i>	<i>15,450.11</i>
<i>Invoices 06-17W</i>	<i><u>51,638.37</u></i>
<i>For a total of:</i>	<i>\$881,005.98</i>

**Cash Transfer between Investments and Bank**

*None needed.*

## **Membership**

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

## **Membership**

Bisceglia, Heather M	04/24/2017	100%	OGE	Para Professional
Burke, Kelly	05/01/2017	100%	FCH	Staff Accountant
Chace, Tammy-Lynn	05/02/2017	100%	OGE	Administrative Assistant
Flematti, Shannon L	01/02/2017	100%	NSW	Para Professional
Fountain, Jean C	06/05/2017	60%	ERV	Asst. Treasurer
Mumblo, Yvonne D	04/03/2017	70%	OGE	Cafeteria Worker
Wilkins, Kurt H	06/05/2017	100%	SHB	Patrolman

## **New Positions**

Donovan, Megan E	12/21/2016	100%	DER	Temp. Long-term Sub. Teacher
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## **New Retirees:**

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

Conway, Jean - the retirement package has been submitted to PERAC to retire Jean Conway for a Superannuation, Option C retirement allowance. Her last day of work was November 20, 1998 and her retirement benefit will begin on June 9, 2017. Ms. Conway was a group 1 member working as an assistant administrator for the Franklin Regional Transit Authority, accruing 14 years, 11 months of creditable service.

Sprague, Katherine - the retirement package has been submitted to PERAC to retire Katherine Sprague for a Superannuation, Option B retirement allowance. Her last day of work was May 12, 2017 and her retirement benefit will begin on May 13, 2017. Ms. Sprague was a group 1 member working for the Mohawk Trail Regional School District in the Heath Elementary School accruing 36 years, 10 months of creditable service.

## **Accept Liability for Buybacks and Makeups Through Other Systems:**

*On a motion made by P. Light and a second by G. Voelker, the Board voted unanimously to accept liability for the following buybacks through other systems, and buybacks and makeups:*

Hassay, Rosemary – State Board of Retirement has asked FRRS to accept creditable service liability if their current member, Rosemary Hassay, re-deposits a refund taken from this system. The refund taken on 12/26/1984 was for \$103.68 in deductions and \$9.21 in interest for a total of \$112.89. Rosemary was a junior secretary for the Frontier Regional School District and creditable service was determined to be 8 months, 23 days, 11/20/1972-06/29/1973.

Petersen, Christina – State Board of Retirement has asked FRRS to accept creditable service liability if their current member, Christina Petersen, re-

deposits a refund taken from this system. The refund taken on 11/30/1980 was for \$761.54 in deductions and \$13.20 in interest for a total of \$774.74. Christina was a program representative for the Franklin County Regional Housing Authority and creditable service was determined to be 1 year, 2 months, 8 days, 08/22/1979-10/29/1980.

**Buybacks and Makeups:**

Warren, Kayce - Current member in the Town of Ashfield, Kayce Warren has asked for approval for a purchase of service beginning with her appointment as Interim Town Administrator up to the start of the pay period for which deductions were first withheld after her appointment to the position as Town Administrator; January 19, 2016 – 12/8/2016 for 10 months, 20 days at a cost of \$5,052.59 if paid by July 31, 2017 otherwise interest will accrue as allowed by law.

**Deaths:**

Sturgeon, James – Option A retiree since 01/01/2008, Mr. Sturgeon worked for the Town of Colrain as the Highway Superintendent, accruing 30 years, 11 months of creditable service. DOD was 5/27/17 at the age of 73.

Ladd, Leslie - Option B retiree since 12/31/1999, Mr. Ladd worked as the Highway Superintendent for the Town of Ashfield and previously the Town of Shelburne, accruing 37 years, 1 month of creditable service. DOD was 6/22/17 at the age of 82. No annuity balance remains.

**General Business:**

**Board photos and featured in MassRetirees?**

Dale shared with the Board the verbal invitation from MassRetirees' founder Ralph White that he would publish a feature article about the Board in an upcoming edition of "The Voice". The Board members all agreed it was a fine idea and gave the go-ahead. Dale will arrange for a professional photographer to come to the July meeting to take a group photo.

**Annual review of Investment Consultant performance.**

Each year the Board takes a few minutes to reflect on the last twelve months' of service from Greg McNeillie and Dahab Associates. The Board is pleased.

*On a motion made by P. Mokrzecki and second by M. Stokarski, the Board voted a "vote of confidence" for Greg McNeillie's service to the Board.*

**Annual review of Legal Counsel performance.**

Each year the Board takes a few minutes to reflect on the last twelve months' of service from Michael Sacco and his staff. The Board is pleased.

*On a motion made by G. Voelker and second by P. Light, the Board voted a "vote of confidence" for Michael Sacco's service to the Board.*

Review staff salary scale.

In December 2016, while approving the staff evaluations, the Board requested that it review the staff pay scale, at the June 2017 meeting, and decide if salary range numbers are in-line and consistent with salaries in the area, and similar positions in the field.

A motion was made by Gabriele Voelker to move Assistant Director up to Grade 12, and move Executive Director up to Grade 16, but there was no second of the motion, and the discussion switched to whether or not the Board should do away with the pay scale chart and the many grade levels, so Gabriele retracted her motion. The discussion continued regarding the design of the pay scale chart.

*On a motion made by P. Light and second by P. Mokrzecki, the Board voted to abandon the chart with grade levels.*

*On a motion made by G. Voelker and second by M. Stokarski, the Board voted to set the salary ranges as indicated herein:*

<i>Executive Director</i>	<i>75,004 to</i>	<i>96,017</i>
<i>Assistant Director</i>	<i>57,214 to</i>	<i>73,189</i>
<i>Auditor</i>	<i>53,476 to</i>	<i>68,432</i>
<i>Member Services</i>	<i>46,735 to</i>	<i>59,764</i>
<i>Administrative Assistant</i>	<i>33,368 to</i>	<i>42,656</i>

Revise again, policy on regular interest to 30 days

Immediately after April's meeting Dale received instruction from Attorney Michael Sacco that there is no legal provision for the Board to waive interest on makeup payments for missing service deductions. The FRRS will discontinue the practice.

Policy on service credit grandfathered when:

A member leaves one unit to take an identical position in another unit

Is transferred to a different position with fewer hours

After they return from a layoff.

Dale presented to the Board descriptions of actual situations where members had compelling circumstances that might warrant the continuation of credit for full-time service that was grandfathered part-time work through the Board's policy change on January 1, 2009.

*On a motion made by P. Light and second by G. Voelker, the Board voted to change the wording of its regulation granting full creditable service after January 1, 2009 by striking the phrase "~~for any and all positions they continue working in as of January 1, 2009~~", and replacing it with the phrase "and regardless of involuntary movement to different positions, as long as the member remains active including, layoff and return within 3 months,".*

Policy discussion re: board position on legal opinion that is at odds with PERAC on the dual service calculation between two systems and whether they get a refund or a calculation.

Staff requested direction from the Board on this matter.

Pension reform law passed in 2009 requires that anyone retiring from 2 or more systems will now receive separate benefits from each retirement system and will not be allowed to combine the multiple retirements and receive a combined benefit. However, there is a difference of interpretation as to whether or not the member has to be vested in the lesser systems to qualify for a benefit. Otherwise they would be refunded their contributions.

Attorney Michael Sacco says the member needs to be vested. PERAC opines the opposite. A few DALA decisions state opinions that support PERAC's position. Michael Sacco suggests filing a complaint with Superior Court to secure a determination that a member must be vested to receive a benefit.

*On a motion made by P. Mokrzecki and second by P. Light, the Board voted to approve the pursuit by Michael Sacco to file a complaint with Massachusetts Superior Court to obtain a ruling that members must be vested in order to receive a benefit as described in MGL 32 §5(2)(e).*

Pay second third of the past due 3(8)(c) bill to the State Retirement? (Pending a progress report from the State Board.)

No action taken.

### **Adjournment**

*On a motion made by M. Stokarski and a second by P. Mokrzecki, the Board voted to adjourn the meeting at 10:02 a.m.*

Respectfully submitted,

**THESE MINUTES WERE APPROVED ON JULY 19, 2017**

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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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Gabriele H. Voelker, Board Member

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Mary A. Stokarski, Board Member

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Paul J. Mokrzecki, Board Member

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