

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING
September 29, 2009

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 8:31 AM by Board Chair, Sandra Hanks with Board members, David Gendron and Mary Stokarski present. Paul Mokrzecki entered the meeting at 9:00 AM. Also present were Executive Director Dale Kowacki, Assistant Director Susan Bobe; Auditors from Melanson and Heath, Patrice Squillante, CPA, Partner-in-Charge, Amy Wales, CPA, MBA, Lead Auditor

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.

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 minutes of the regular meeting held on August 25, 2009.

Payroll, Refunds, Transfers and Bills Warrants

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

<i>Retirees Payroll warrant in the amount of</i>	\$456,665.04
<i>Refunds warrant in the amount of</i>	\$116,109.53
<i>Transfers warrant in the amount of</i>	\$4,558.00
<i>Bills warrant in the amount of</i>	<u>\$53,339.61</u>
<i>For a total of:</i>	\$630,672.18

Cash Transfer between Investments and Bank

On a motion made D. Gendron and second by M. Stokarski, the Board voted unanimously to transfer \$470,000 from Daruma to TDBank to cover October warrants.

New Members

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

<u>New Members</u>	<u>UNIT</u>	<u>DATE</u>
Bates, Bridget M.	SND	9/01/09
Beauchesne, Ashley J.	MHR	8/26/09
Bolio, Joshua D.	FCH	8/24/09
Buxton, Elizabeth W.	MOH	8/17/09
Clarke, Trevor H.	FRN	8/26/09
Diamond, Lisa M.	MHR	8/25/09

Duguay, Gerald S.	MHR	8/26/09
Grader, Judy A.	DER	9/01/09
Herrmann, Kristen N.	FRN	8/26/09
Laraway, Kathleen A.	PNR	8/01/09
Lesko, Robert S.	FRN	9/15/09
Martin, Melissa Y.	DER	9/01/09
Masters, Crystal L.	SND	8/17/09
O'Brien, Joan E.	DER	9/01/09
O'Neill, Sean M.	STB, ERV	8/24/09
O'Reilly, Amber G.	STB	8/24/09
Powell, Laurel M.	PNR	9/02/09
Shedd, Debra-Lynn	PNR	9/02/09
Squires, Caitlyn E.	MHR	8/25/09
Thornton, Amy C.	FRN	8/26/09
Towne, Nathan E.	PNR	9/11/09
Valle, Jo Ann	FRN	8/26/09
Wendelken, Carol A.	DER	9/01/09
Winter, Lisa L	FRN	8/26/09
Zaraneck, Amy H.	DER	8/31/09

Existing Members – Different Units:

Holmberg, Kenneth E.	WEN	5/04/09
Huntley, Christine E.	DER	9/01/09
Paige, Clifford F.	PNR	8/24/09
Peters, Sally A.	CON	9/01/09

New Retirees

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

Lobik, John – PERAC approval has been received for a Superannuation Option B effective June 30, 2009. Mr. Lobik retired from his position as Plant Manager in the Frontier Regional School District. He accrued service in Hampshire Regional and Greenfield Retirement Systems as well for a total of 26 years, 7 months creditable service.

Hall, Gail – PERAC approval has been received for a Superannuation Option B effective August 21, 2009. Ms. Hall was serving as the Cafeteria Manager in the Mohawk Regional School District from February 1975 through August 21, 2009 for a total of 34 years, 6 months of creditable service.

Clark, Judith – PERAC approval has been received for a Superannuation Option B effective August 13, 2009. Ms. Clark was serving as a teacher's aide in the Mohawk Regional School District from September 1987 through June 30, 2009 for a total of 21 years, 11 months of creditable service.

Buy Backs and Make-ups:

On a motion made by D. Gendron and second by M. Stokarski, the Board voted unanimously to approve the following make-up of creditable service C. Goshea:

Goshea, Christopher – current member of the Town of Orange has requested a make-up of creditable service for time worked in the towns of Deerfield, Erving, and Wendell as a call firefighter from 2004 to 2009. Total creditable service allowed is 3 months, 21 days for a cost of \$795.33 if paid by October 31, 2009; otherwise, interest will accrue as allowed by law.

On a motion made by D. Gendron and second by M. Stokarski, and both invoking the rule of necessity, the Board voted unanimously to approve the following make-up and buyback of creditable service for member P. James:

Peter James – current member as the Moderator in the Town of Deerfield has requested a make-up of creditable service for time served in his present capacity prior to membership, from March 1, 1980 to December 31, 2008. Total creditable service allowed is 28 years, 10 months for a cost of \$139.04 if paid by October 31, 2009; otherwise, interest will accrue as allowed by law.

Peter James – same person as above, has requested to do a buyback of a refund from State Retirement for time worked at the University of Massachusetts from September 8, 1974 to February 23, 1977. State Retirement will accept 1 year, 11 months of creditable service upon payment of the full refund plus interest. Total cost is \$3,397.42 if paid by October 31, 2009; otherwise, interest will accrue as allowed by law.

Disability Retiree

On a motion made by D. Gendron and second by M. Stokarski, on advice of counsel, the Board voted unanimously to approve the Accidental Disability Retirement for Ricky L. Sumner effective retro-actively to August 26, 2008.

Summer Hours Year Round

On a motion by D. Gendron and a second by M. Stokarski, the Board voted unanimously to adopt the summer office schedule year-round and allow staff to open the office at 8:00 am and close at 4:30 pm Monday through Thursday and 8:00 am to 2:00 pm on Friday.

Security System

A security system was installed on 9/15/09. The system consists of 3 motion detection zones. The control panel is located above the storage room door, and the keypad for controlling the system is near the entrance door. There is an audible alarm as well as an off site monitor. The monitor will telephone the office if the alarm is set off. If there is no response, the police will be notified as well as a key holder.

On a motion by D. Gendron and a second by M. Stokarski, the Board voted unanimously that if the key holder must respond to an alarm, a minimum of 2 hours of comp time, with time and one half comp time when it is over 2 hours, will be given to the responder.

Requesting payroll information from treasurers

The Board discussed the rational and reality of requesting payroll information from treasurers to better monitor deductions coming in from units. M. Stokarski shared information about the BERT system that verifies deductions before the funds are sent to MTRB. Dale Kowacki will visit Mary in Deerfield and see the BERT system in action, and if possible, contact MTRB to see about using or copying the format.

8:57 AM - Paul Mokrzecki arrived at this point in the meeting

Audit Exit Conference

At 9:08 the auditors, Patrice Squillante and Amy Wales, joined the meeting. The two findings in the Management Letter were reviewed. The auditors commented that because of sound procedures, staff was able to quickly research and report (or correct) any questions raised during the audit. They also noted, in the financials, the change in market value of the board's investment due to the economic downturn that began in the fall of 2008. Overall, the auditors reported that sound procedures are in place and responses of the staff and board are appropriate.

OPEB – Saving towards health insurance

With the auditors still in attendance, Dale Kowacki asked the board how it would like to approach compliance with GASB 45 as it relates to the retirement system itself (as opposed to being an investment vehicle for all the member units). Currently there is no guidance from PERAC as to calculating, accounting, or funding the liability so Melanson and Heath suggested that FRRS should review its own future liability for retiree's health insurance. Dale will approach Larry Stone about having it included in the next actuarial study to be conducted in 2010. After which it will be included in the accounting ledgers as a liability account with a companion offset account until PERAC or legislation dictates differently.

Investment Consultant Fees

Questions and refinements to the survey of other systems had been incorporated into the chart presented to the board at prior meetings, which was briefly reviewed. A broader discussion will be held during the November meeting when the full board will be in attendance. It was requested that this be done annually each November.

Preliminary Budget for 2010

On a motion made by D. Gendron and second by P. Mokrzecki, the Board voted unanimously to increase the chair's stipend to \$6,000 annually for the next

budget year, 2010. (Sandy Hanks did not participate in the discussion or the vote.)

David Gendron left meeting at this point – 10:31 AM

Annual Meeting of the Advisory Council

The meeting will be held on Thursday, November 19, 2009 at the Greenfield Grille, formerly Bill's Restaurant. The meeting will start at 6:30, preceded by a dinner. Invitations will be sent out in October.

Office Space/Records Retention

With the storage room space now completed, staff has made a push to organize files in the office. Part of the project was to determine what records if any, may be destroyed. Boxes that had been stored in the basement became part of this project as well. Several boxes have been determined to be duplicate information. Another 21 boxes of cancelled checks, warrants, invoices, election materials, tax information, and investment materials have been reviewed, determined to be on a Commonwealth retention schedule, and labeled for permission to destroy. A request has been submitted to the Secretary of the Commonwealth, Supervisor of Public Records, to destroy those records on the retention schedule.

Pension Reform Legislation

The Executive Director reported on the meetings (PERAC Forum, Pension Reform Study Commission, PERAC Commissioners' meeting(s)) that he has attended and shared with the board his observations regarding the various groups and individuals and their stance on any or all of the draft report published by the chair of the study commission.

Adjournment

On a motion made by M. Stokarski, and a second by P. Mokrzecki, the Board unanimously voted to adjourn the meeting at 11:20 a.m.

Respectfully submitted,

Dale C. Kowacki, Executive Director

These minutes were approved on October 27, 2009

Sandra A. Hanks, Chair

ABSENT
Herbert L. Sanderson Jr., Vice-Chair

David R. Gendron, Board Member

Mary A. Stokarski, Board Member

Paul J. Mokrzecki, Board Member