

FRANKLIN REGIONAL RETIREMENT SYSTEM  
BOARD MEETING MINUTES  
July 28, 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 Mary Stokarski and David Gendron present. Also present were Executive Director Dale Kowacki, Assistant Director Susan Bobe and Auditor, Deb Frenzoz.

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 June 24, 2015.*

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

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

<i>Retirees Payroll</i>		<i>\$714,783.23</i>
<i>Refunds</i>		<i>76,056.97</i>
<i>Transfers</i>		<i>34,278.08</i>
<i>Invoices 07-15W</i>		<i><u>109,767.24</u></i>
<i>Operating</i>	<i>69,559.15</i>	
<i>Investments</i>	<i>37,334.15</i>	
<i>3(8)c pmts to other Boards</i>	<i>2,873.94</i>	
<i>For a total of:</i>		<i>\$934,885.52</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 \$3,350,000 from UniBank to PRIT Core Fund as a result of excess cash from assessment payments.*

## **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**

Brindisi, Derek	06/29/2015	100%	ASH	Town Administrator
Hume, Patricia	07/06/2015	100%	FCR	Administrative Assistant
Morey, Christopher	07/01/2015	100%	SHB	Laborer/Operator/Driver
Nelson Jr., Mark	07/01/2015	100%	SHB	General Laborer
Taft-Ferguson, Madelaine	05/04/2015	100%	FCH	Administrative Assistant

### **Existing Members**

Hodsdon-Mayo, Lynda	05/18/2015	100%	GIL	Town Clerk - elected
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### **New Retirees**

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

Bracebridge, Leslie - the retirement package has been submitted to PERAC to retire Leslie Bracebridge for a Superannuation, Option A retirement allowance. Her last day of work was May 8, 2015 and her retirement benefit will begin on May 9, 2015. Ms. Bracebridge was a group 1 member working as a Town Clerk and Administrative Secretary for the Town of Shutesbury, accruing 22 years, 7 months of creditable service. The Hampshire County Retirement Board holds liability for 9 months of the total service.

Little, Debra - the retirement package has been submitted to PERAC to retire Debra Little for a Superannuation, Option A retirement allowance. Her last day of work was May 29, 2015 and her retirement benefit will begin on May 30, 2015. Mrs. Little was a group 1 member working as a CDBG Program Manager for the Franklin County Regional Housing and Redevelopment Authority, accruing 27 years, 4 months of creditable service. The Montague Retirement Board holds liability for 1 year, 3 months, 13 days of the total service.

Shebell, Donald - the retirement package has been submitted to PERAC to retire Donald Shebell for a Superannuation, Option A retirement allowance. His last day of work was June 26, 2015 and his retirement benefit will begin on June 27, 2015. Mr. Shebell was a group 1 member working as a custodian for the Pioneer Valley Regional School District, accruing 13 years, 5 months of creditable service.

Platek, George - the retirement package has been submitted to PERAC to retire George Platek for a Superannuation, Option B retirement allowance. His last day of work was June 15, 2015 and his retirement benefit will begin

on June 16, 2015. Mr. Platek was a group 1 member working as a custodian for the Pioneer Valley Regional School District, accruing 10 years of creditable service.

**Accept Liability for Buybacks and Makeups through other Systems:**

*On a motion made by D. Gendron and second by M. Stokarski, the Board voted unanimously to accept liability for the following buyback through other systems:*

Doherty, Ryan – former member with the Town of Erving, now a member of the State Retirement Board, has requested a buyback of a refund taken from this system on 8/28/2009. His hire date was 10/15/2007 and he resigned on 7/19/2009. Service liability for this board is 1 year, 7 months, 23 days and service liability for the Montague Retirement Board is 3 years, 22 days if deductions are re-deposited with the State Retirement Board. Total deductions refunded \$13,996.54.

**General Business:**

**Pay second third of the past due State 3(8)C bill**

The 2014 State Board invoice has been received with a new contact name on the cover letter and PERAC continues to make progress on the recalculations of 3(8)c liabilities. An email has been sent to the new contact in hopes of moving this invoice along. There has been no update from the State or further contact. The goal is to have significant corrections made to the invoice so that a payment can be made in September.

No action, or votes, taken at this time.

**PERAC medical panel report regarding Elizabeth Bell application for Accidental Death benefits related to David Bell**

The PERAC single physician medical panel conducted a record review and offered an opinion with respect to the causal relationship, if any, between Mr. Bell's retirement and his death. The report had been received and sent to Michael Sacco for review. Attorney Sacco's report suggested further investigation into Mr. Bell's non-cardiac conditions.

*On a motion made by M. Stokarski and a second by D. Gendron, the Board unanimously voted to have Board Attorney Michael Sacco request and review records pertaining to the circumstances of Mr. Bell's retirement from the State of New Jersey, and review the records pertaining to Mr. Bell's retirement from the Town of Deerfield, and investigate if there might have been pre-existing conditions not revealed at the time that would have disqualified the original application, and thus negate the current application.*

**Report on GASB 67 audit and report**

Dale Kowacki, Executive Director reported to the Board that GASB 67 (& 68) are new audit standards that require us to provide annual amounts to our units as to

their share(s) of our unfunded liability so they can have their auditors include it in their audits.

Our actuary, Linda Bournival (KMS Actuaries) did the calculation for end of year 2014 updating our financial status and each unit's share of our unfunded liability. This report will go to our auditor (Melanson Heath) for their review and opinion as to its correctness and accuracy. Both reports will be sent to each of our units for them to provide their auditors, who then review them and decide if they agree with the correctness, if so, they include them in the audited financials of the audit they perform for the unit

No action, or votes, taken at this time.

Discuss process for units to grant individual ERIs

Dale Kowacki, Executive Director, informed the Board that one of our units has inquired about the procedure and cost to do an ERI for one of its employees. The Board was provided the calculations that were given to the unit and information on how an individual ERI was done previously. The process for an ERI requires special legislation and payment from the unit, either lump sum or over a period of time (15 years in this calculation).

No action, or votes, taken at this time.

Discuss implications of retirement agreements between units and employees

Dale Kowacki, Executive Director discussed with the Board members implications regarding retirement agreements. Recently one of our units signed an agreement with one of its employees, where the unit would pay the employee both a lump sum payment and regular biweekly payrolls for six months of administrative leave. Part of the unit's intention was to have the extra money (and service) included in the person's retirement.

The agreement was sent to Board Attorney Michael Sacco for review. Attorney Sacco opined that "any payments made under this agreement will not be considered regular compensation. Further stating that "the main problem with the agreement is that it is being done "in connection with intentions to retire" and thus the payment made thereunder cannot be considered regular compensation, as specifically excluded from the definition of wages in Section 1 is "any other payment made as a result of the employer having knowledge of the member's retirement, ..."

After some discussion, the Board asked Dale to inform all of our units of these implications.

No action, or votes, taken at this time

Procurement law amended to extend contracts to 7 years

Dale Kowacki, Executive Director informed the Board members that the FY16 State Budget passed by Governor Baker amended the procurement law to

extend contracts to 7 years. The Board has the option to extend current contracts not to exceed 7 years.

After a brief discussion, the Board asked to table this until the August 2015 Board meeting in order to discuss with Investment Consultant, Greg McNeillie.

**New Business**

**12(2)(d) Survivor Benefit approval**

Duane Nelson, a non-contributing member with the Town of Bernardston passed away on March 28, 2015. Duane had 8 years, 5 months of service accrued. His wife Wanda is eligible for the survivor benefit equal to the member's Option C benefit.

As follow-up to the Board's decision at the June 2015 meeting, staff completed the benefit calculation and paperwork, and presented it to the Board for approval.

*On a motion made by D. Gendron and second by M. Stokarski, the Board approved that this benefit calculation be forwarded to PERAC.*

**Adjournment**

*On a motion made by M. Stokarski and a second by D. Gendron, the Board voted to adjourn the meeting at 9:00 a.m.*

Respectfully submitted,

**THESE MINUTES WERE APPROVED ON AUGUST 26, 2015**

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Dale C. Kowacki, Executive Director

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Sandra A. Hanks, Chair and Treasurer

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absent  
Paula J. Light, Council Member

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David R. Gendron, Vice Chair

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Mary A. Stokarski, Board Member

\_\_\_\_\_  
absent  
Paul J. Mokrzecki, Board Member

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