

Minutes of the Franklin Regional Retirement Advisory Council Meeting

Wednesday, November 5, 2014
at the Franklin County Technical School, Apprentice Restaurant,
82 Industrial Boulevard, Turners Falls, MA 01376

Chairman Margaret Sullivan called the meeting to order at 12:20 pm and then turned the meeting over to Dale Kowacki

Members present were:

Margaret Sullivan	Erving Treasurer, Advisory Council Chair
Linda Marcotte	Buckland Treasurer
Barbara Hancock	Deerfield Treasurer
Robin Sherman	Franklin County Regional Housing Executive Director
Paula Light	Frontier Regional School Treasurer, Board Member
Angel Bragdon	Mohawk, and Hawlemont, Schools, Treasurer
Deb Mero	Pioneer Regional School Treasurer
Mary Scoville	South Deerfield Fire District Treasurer
Eunice Apanell	South Deerfield Water District Treasurer
Nancy Grossman	Whately Treasurer

Also present were:

Julie Wonka	Erving, Treasurer's Human Resources and Payroll Assistant
Matthew Galman	Erving School Union 28, Accountant

Retirement Board present:

Sandra Hanks	First member, Chair, Treasurer, Appointed by Board
Paula Light	Second Member Appointed by Advisory Council
Mary Stokarski	Third Member Elected by membership
David Gendron	Fourth Member Elected by membership
Paul Mokrzecki	Fifth Member Appointed by Board

Retirement staff present:

Dale Kowacki	Executive Director; Secretary, Advisory Council
Susan Bobe	Assistant Director
Deborah Frentzos	Member Services Accountant
Patty Leveille	Administrative Assistant

Minutes Accepted

On a motion by Robin Sherman and second by Linda Marcotte, the Council voted to accept the minutes of the June 18, 2014 meeting.

2015 Budget (part 1)

The budget for 2015, as voted by the board, was presented to the council and discussed (copy attached), however the vote was postponed until after the other budget related items were decided.

On a motion by Deb Mero and a second by Paula Light, the Council certified the 2015 budget.

New Position - Auditor

Dale Kowacki described the need, and the plan, to add an Auditor position in the retirement office.

The need arose from the burden of the added compliance requirements from the pension reform laws over the last five years (2009, 2010, 2011, 2012, 2013). There has been a marked increase in the number of hours needed to comply.

- Retirement calculations now require the review 7 years of payroll records, whereas in the past the calculation was to back in to the salary from deductions records.
- With the change in the criteria for 4(2)(b) (Police and Fire service prior to membership), the office is reviewing payrolls from 30 and 40 years ago.
- It is now required to re-search investment managers every five years, document the process, and do a new contract with managers each time – regardless of change.

As far as duties, the auditor will review all the crucial calculations done by the rest of us. They will look over all the retirement calculations, buybacks and makeups, refunds and transfers, membership applications, investment compliance, computer security measures, bank reconciliations, monthly PERAC reports, investment statements, annual reports, etc.

Linda Marcotte stated that the Town of Buckland Selectboard is against the Auditor position.

Robin Sherman stated that the housing authority is against the auditor position.

Dale Kowacki answered Margaret Sullivan, that if conditions changed and the number of positions was no longer needed, then yes, staffing levels would be studied and likely changed.

Increase Board Stipend from \$4,000 to \$4,500

The Board had asked the Advisory Council to increase the annual stipend of the four regular Board members to \$4,500 (from \$4,000). The ability to do so is given to the Advisory Council in MGL 32, §20(6).

Linda Marcotte stated that the Town of Buckland request that the increase not be approved.

Robin Sherman stated she is opposed to discretionary expenses that increase the Board stipends.

On a motion by Linda Marcotte and second by Robin Sherman, the Council voted not to increase the Board stipends to \$4,500, with Paula Light recusing herself.

2015 Budget (part 2)

Having discussing and deciding not to increase Board stipends, the budget for 2015, as voted by the board, was voted on by the council.

On a motion by Deb Mero and a second by Paula Light, the Council certified the 2015 budget by standing vote, 5 in favor, 2 opposed. It is noted that Robin Sherman, and Linda Marcotte were opposed.

Discussion of GASB 67 & 68

Dale Kowacki, Executive Director, described the requirements of GASB standards 67 & 68 and the role the retirement system will play in the meeting of those standards by the towns. No action regarding this topic was required of the Advisory Council, but discussion did occur.

Adjournment

On a motion by Robin Sherman and second by Linda Marcotte, the Council voted to adjourn the meeting at 12:52pm.

Respectfully submitted,

Accepted at the May 13, 2015 Advisory Council Meeting

Dale Kowacki
Advisory Council Secretary

Franklin Regional Retirement System

Budget Cover

		2013 Expended	2014 Budget	2014 Annualized Expenditures	2015 Proposed Budget
Salaries					
Board Stipends	5118-000	20,208.33	23,500.00	19,500.00	26,000.00
Salaries and Wages	5119-000	218,584.62	229,625.00	229,719.14	288,378.00
Payroll Taxes	5119-001	3,945.71	4,180.00	4,006.72	5,522.00
Health & Life Insurance	5119-002	21,037.68	24,966.00	23,311.44	41,987.00
Accrued Benefit Payout	5119-003	0.00	5,000.00	0.00	5,000.00
Total Salaries		283,776.34	287,271.00	276,537.30	386,887.00
Administration					
Legal	5308-000	29,280.78	25,000.00	25,000.00	25,000.00
Insurance	5310-000	10,122.00	10,659.00	10,543.00	11,126.00
Rent Expense	5312-000	17,946.72	17,950.00	17,946.72	18,169.00
Professional Service - Various	5315-001	0.00	350.00	0.00	350.00
Actuarial Valuation Expense	5315-002	0.00	14,650.00	16,750.00	0.00
Audit Expense	5315-003	0.00	15,000.00	12,500.00	18,000.00
Education and Training	5320-000	1,895.00	5,243.00	0.00	5,243.00
Administrative Exp. - Various	5589-001	3,895.55	3,765.00	1,717.86	3,965.00
Dues	5589-003	425.00	500.00	425.00	500.00
Office Supplies	5589-004	1,960.07	3,650.00	2,723.33	3,650.00
Postage	5589-005	4,685.00	4,200.00	3,783.00	4,200.00
Utilities	5589-007	6,200.51	5,582.00	5,152.00	5,606.00
Members Education	5589-011	0.00	750.00	0.00	750.00
Board Election	5589-012	129.84	2,820.00	2,691.80	0.00
Travel	5719-000	3,340.48	6,050.00	600.00	6,050.00
Total Administration		79,880.95	116,169.00	99,832.71	102,609.00
Equipment					
Service Contracts	5311-000	26,007.68	30,147.00	29,216.98	31,455.00
Equipment & Software Maint.	5589-002	0.00	3,000.00	0.00	3,000.00
Misc., Furniture & Equipment	5599-001	301.40	1,500.00	1,411.99	1,500.00
OPEB Software	5599-101	0.00	750.00	0.00	0.00
PTG Member Access Module	5599-105	0.00	7,500.00	0.00	7,500.00
Computers	5599-111	2,144.47	0.00	1,170.00	0.00
Website	5599-708	119.40	1,120.00	119.40	1,120.00
Total Equipment		30,572.95	44,017.00	31,918.37	44,575.00
Total Operations		374,230.24	447,457.00	408,288.38	514,071.00
Investments					
Management Fees	5304-000	617,607.62	580,000.00	685,000.00	784,000.00

Custodial Fees	5305-000	17,174.44	17,000.00	21,363.00	23,000.00
Investment Consultant	5307-000	23,000.00	26,000.00	26,000.00	29,000.00
Total Investments		657,782.06	623,000.00	732,363.00	836,000.00
Total Investment Expenses		657,782.06	623,000.00	732,363.00	836,000.00
Grand Total		1,032,012.30	1,070,457.00	1,140,651.38	1,350,071.00

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