

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
February 27, 2013

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 8:05 AM by Board Chair, Sandra Hanks with Board Members Herbert Sanderson, Paul Mokrzecki, Mary Stokarski and David Gendron present. Also present were Executive Director Dale Kowacki, Assistant Director Susan Bobe, and Member Services Accountant Deb Frenzoz. Greg McNeillie, Managing Partner, and Seth M. Lynn, Senior Consultant, with Dahab Associates joined the meeting at 8:45 AM. Anthony Xuereb, Client Relations and Todd Morris, Research Analyst, with Polen Capital joined the meeting at 9:10 AM.

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.

Herbert Sanderson arrived at 8:06

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 January 30, 2013.

Paul Mokrzecki arrived at 8:08

Payroll, Refunds, Transfers and Bills Warrants

On a motion made by M. Stokarski and second by P. Mokrzecki, the Board, after a brief discussion, voted unanimously to pay the invoice from Stone Consulting, taking the discount.

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>\$610,630.32</i>
<i>Refunds</i>	<i>34,658.60</i>
<i>Transfers</i>	<i>44,762.92</i>
<i>Invoices for 2012</i>	<i>33,121.00</i>
<i>Stone Actuarial Invoice</i>	<i>16,086.00</i>
<i>Invoices for 2013</i>	<i><u>250,483.03</u></i>
<i>For a total of:</i>	<i>\$989,741.87</i>

Cash Transfer between Investments and bank

On a motion by P. Mokrzecki and a second by D. Gendron, the Board voted unanimously to transfer \$200,000 from Seizert Capital Partners and \$200,000 from Daruma Asset Management to TDBank to cover next month's warrants.

New Members

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

<u>NAME</u>	<u>UNIT</u>	<u>DATE OF HIRE</u>
Mari-Jon Adams-Pullen	FCH	01/07/2013
Ashley L. Blais	LEV	01/28/2013
Andrea L. Callahan	DER	01/11/2013
Jacqueline M. Cashin	FRG	01/22/2013
Caron M. Dewey	MOH	01/08/2013
William C. Johnson	WTY	12/19/2012
Eric A. Kershaw	FCH	01/15/2013
Daniel T. Lynch	OGE	02/11/2013
Tammy L. Murphy	FCH	01/22/2013
Laureen K. Urekew	SND	01/29/2013
Joanne K. Wallace	DER	01/02/2013

Existing Members

Katherine D. Lorenz	SND	01/07/2013
---------------------	-----	------------

New Retirees:

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

Berube, John – PERAC approval has been received for an Accidental Disability Option A benefit effective 10/03/2011. Mr. Berube was a custodian with the Frontier Regional School District and had 8 years, 1 month of service.

Houghtaling, Alice – PERAC approval has been received for a Superannuation Option B retirement, effective 1/4/2013. Ms. Houghtaling was an elected member of the school committee for the Town of Monroe and the Finance Assistant for the FRCOG. She accrued 34 years, 1 month of service.

Welcome, Jr., Dennis E. – PERAC approval has been received for an Accidental Disability Option C benefit effective 7/16/2012. Mr. Welcome was an Equipment Operator/Laborer with the Town of Deerfield and had 23 years, 9 months of service.

Disability Retirements:

William Arsenault – Involuntary application received from the Town of Warwick on behalf of Mr. Arsenault and reviewed by board's counsel, Michael Sacco, who

recommends the board table the application until further information can be gathered.

Robert Spaulding – application received and reviewed by board’s counsel, Michael Sacco, who recommends an evidentiary hearing with the board. The board requested a letter be sent to Mr. Spaulding with an evidentiary hearing set for March 11, 2013.

Accept Liability for Buybacks and Makeups through other Systems:

On a motion made by D. Gendron and second by H. Sanderson, the Board voted unanimously to accept liability for the following buyback through another system:

Korzenowski, William – the Hampshire County Retirement System on behalf former member, requests FRRS to accept liability for creditable service of 6 months, 24 days upon payment to the Hampshire County Retirement System for a refund of contributions given 09/28/1978 for service with the Town of Deerfield between 01/30/1978 and 08/23/1978.

Buybacks and Makeups:

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

Harrison, Paula J. – current member with the Town of Colrain has requested a buyback of a refund taken on August 30, 1999 from this Board for work between April 3, 1995 and April 30, 1999. Service was with the Town of Buckland. Total creditable service available for purchase is 4 years, 28 days and the total cost of the buyback is \$10,292.30 if paid by 3/31/2013; otherwise, interest will accrue as allowed by law.

Frentzos, Deborah A. – current member with the Franklin Regional Retirement System has requested a makeup of service for time worked with the Pioneer Valley Regional School District as an office assistant from February 7, 2000 to August 31, 2000 prior to membership eligibility. Service is based on actual hours worked for a total of 3 months, 1 day at a cost of \$696.88 if paid by 3/31/2013; otherwise interest will accrue as allowed by law.

Moruzzi, John – current member in the Town of Leverett has requested a buyback of a refund taken from this system on 1/30/1980. This was fulltime service as a janitor in the Leverett School between 10/18/1976 to 12/21/1979 for a total of 3 years, 2 months, 4 days allowable creditable service. Cost of the buyback is \$6,975.95 if paid by March 31, 2013 otherwise interest will accrue as allowed by law.

Fitz-Gibbon, Mary – current member Ashfield was originally hired as an interim assistant and thus ineligible for membership. However, due to initial confusion about the position, deductions came into the system and were held in a deduction receivable account. The position became regular part-time on 9/26/2012. Member is asking for a make-up of service to be paid for by deductions held by FRRS. Service begins 10/21/2011 through enrollment 9/25/2012, based on actual hours worked at 25 hours per week, for a total of 7 months, 6 days allowable service. (Cost is \$1,616.81 to be paid from the Deductions Receivable Account)

2nd make-up: for service beginning 1/2/2011 through 10/20/2011 for service her initial appointment to interim assistant up to the time deductions were put on deposit with FRRS. Allowable creditable service, based on actual hours worked is 5 months, 17 days for a total cost of 1,290.42 if paid by member by 3/31/2013; otherwise interest will accrue as allowed by law.

Buybacks and Makeups – Extra Discussion Needed:

On a motion made by H. Sanderson and a second by P. Mokrzecki, the Board voted unanimously to deny creditable service of 13 years to Mr. Gale for his volunteer service over and above the stipend received, and granted the makeup of 1 year, 6 months, 22 days creditable service.

Brian Gale – current member in Orange, would like to purchase service credit for part-time work in the town of Warwick as Building Inspector, part-time Police Officer, Fire Captain, and Fire Chief, from 1983 to 1995 just prior to membership with FRRS via employment with Orange. Adhering to FRRS regulations, the allowable credit for this service is 1 year, 6 months, 22 days. Brian has written to the Board asking, in light of his volunteer service over-and-above the stipend he received, that he be granted 13 years of service.

Military Buybacks:

On a motion made by P. Mokrzecki and a second by D. Gendron the Board voted unanimously to approve the following military buyback:

Kemerer, Terry – current member of the Town of Warwick has requested a purchase of military active duty time. A DD214 has been provided showing a total of 4 years. The total cost of his buyback based on his first 12 months of earnings is \$13,001.98 if paid by March 31, 2013; otherwise interest will accrue according to board policy. (1st year salary was \$32,504.96).

General Business:

Retirees COLA for July 1

On a motion made by D. Gendron and a second by P. Mokrzecki, the Board unanimously voted to approve a 3% Cost-of-living-allowance for retirees starting July 1, 2013.

Increase Retirees' COLA Base

On a motion made by H. Sanderson and a second by D. Gendron, the Board unanimously voted to leave the maximum COLA base for the retirees' annual COLA at \$14,000.

Future Actuarial Services

On a motion made by D. Gendron and a second by P. Mokrzecki, the board unanimously voted to go out to bid for actuarial services.

Vote Reallocation of last year's budget Line items

On a motion made by D. Gendron and a second by M. Stokarski, the board unanimously voted to approve a transfer in the 2012 budget of \$9,800 from Management Fees to adjust for deficits in the following line items:

Board Stipends	\$1,700
Custodial Fees	\$3,500
Legal	\$4,200
Rent Expense	\$ 250
Utilities	\$ 150

Quarterly Investment managers

Greg McNeillie, Vice President at DAHAB joined the meeting at 8:45 and reviewed the fourth quarter returns for the investment portfolio.

Anthony Xuereb, Client Relations and Todd Morris, Research Analyst of Polen Capital joined the meeting at 9:10. Mr. Xuereb and Mr. Morris shared the firm's view of the current and future market and commented on the return to date for the Board's investment.

Greg McNeillie, Vice President at DAHAB reviewed the 4th quarter returns for PRIT as Paul Todisco was unable to attend today's board meeting. Paul Todisco will be rescheduled for the November 27, 2013 board meeting.

Greg McNeillie informed the Board of the reorganization at DAHAB. David Lee has been promoted to President and Greg has been promoted to that of Vice Chairman. Seth Lynn, Senior Consultant will be back up to Greg.

Hand out personnel policy

Dale Kowacki distributed copies of the personnel policy to the Board for possible discussion next month.

Funded Ratios – Questions Answered

Dale Kowacki, Executive Director answered the Board's question of last month as to why other Systems with higher % of Salaries than FRRS are more fully funded. Dale presented a chart to the Board and explained that those Systems have a shorter payoff schedule for their unfunded liability.

Adjournment

On a motion made by D. Gendron and a second by H. Sanderson, the Board unanimously voted to adjourn the meeting at 10:44 a.m.

Respectfully submitted,

Dale C. Kowacki, Executive Director

THESE MINUTES WERE APPROVED ON MARCH 27, 2013

Sandra A. Hanks, Chair

Herbert L. Sanderson Jr., Vice-Chair

David R. Gendron, Board Member

Mary A. Stokarski, Board Member

Paul J. Mokrzecki, Board Member