

FRANKLIN REGIONAL RETIREMENT SYSTEM  
BOARD MEETING MINUTES  
MAY 28, 2014

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 Paula Light, 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, the Board's investment consultant, joined the meeting at 8:40 a.m.

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 P. Light, the Board voted unanimously to approve the minutes of the regular meeting held on April 30, 2014*

Paul Mokrzecki arrived at 8:06 a.m.

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

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

<i>Retirees Payroll</i>		<i>\$649,720.19</i>
<i>Refunds</i>		<i>36,497.61</i>
<i>Transfers</i>		<i>4,701.51</i>
<i>Invoices</i>		<u><i>34,894.21</i></u>
<i>Operating</i>	<i>30,700.17</i>	
<i>Investments</i>		
<i>3(8)(c)s</i>	<i>4,194.04</i>	
<i>For a total of:</i>		<i>\$725,813.52</i>

**Cash Transfer between Investments and bank**

*On a motion made by D. Gendron and a second by P. Light, the Board, voted unanimously to transfer \$450,000 from PRIT Core Fund to Unibank to cover next month's warrants.*

**Membership**

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

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New Members

Burton, Lisa	03/17/2014	100%	MOH	Paraprofessional
Desmarais, Todd	04/30/2014	100%	MOH	Custodian
Merrigan, Patrick	05/08/2014	100%	ERV	Police Officer
Price, Melinda	04/07/2014	100%	FRN	Teaching Assistant

**Retirees:**

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

Davenport, Linda – The retirement packet has been submitted to PERAC to retire Linda Davenport for a Superannuation Option B benefit. Her last day of work was April 8, 2014 and her retirement benefit will begin on April 9, 2014. Ms. Davenport was a group 1 member working as the Director of Leased Housing with the Franklin County Housing Authority accruing 15 years, 1 month of creditable service.

Leos-Urbel, Amy – The retirement packet has been submitted to PERAC to retire Amy Leos-Urbel on a Superannuation Option C benefit. Her last day of work was February 25, 2000 and her benefit will begin on March 11, 2014. Ms. Leos-Urbel was a group 1 member working for the FRCOG accruing 12 years, 9 months of creditable service. The State Board of Retirement holds liability for 11 months, 19 days of the total service.

Taylor, Matthew – The retirement packet has been submitted to PERAC for the survivor benefit of Matthew Taylor, spouse of deceased member Kristina Taylor. On 4/30/2014 the Board determined that the case met the criteria for a section 12(2)(d) benefit. Upon approval by the Board, the survivor will receive his first benefit payment effective with the May 2014 retiree payroll.

**Buybacks and Makeups:**

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

Provost, Lois – current member of MTRS has requested a make-up of service for work performed between 03/27/1989 and 10/12/1992 for the Town of Warwick as an Assessor’s Clerk. Ms. Provost should have been a member in this system based on Supplemental Regulations at the time of service. FRRS allowable creditable service is actual hours worked of 11 months, 10 days. Cost will be determined by MTRS.

**4(2)(b) Police and Fire Service Credit:**

*On a motion made by D. Gendron and a second by P. Light, the Board voted unanimously to approve the following 4(2)(b) Police and Fire Service Credit:*

Christopher Blair –

Rescind this from April:

*“Current member through the Town of Erving, requests creditable service through c.32, §4(2)(b) for service between 10/21/1996 and 6/10/1999. Total service is 2 years, 7 months, 20 days at a cost of \$1,941.17 if paid by 5/31/2014. Cost of the service is based on deductions for earnings based on the minimum \$5000 (pro-rated) for 3 years and regular earnings for the final year as it was greater than \$5K.”*

Replace with this:

Current member through the Town of Erving, requests creditable service through c.32, §4(2)(b) for service between 10/21/1996 and 1/2/1999. Total service is 2 years, 2 months, 12 days at a cost of \$960.87 if paid by 6/30/2014. Cost of the service is based on deductions for earnings based on the minimum \$5000 (pro-rated) or regular earnings whichever was greater.

And, a make-up of time for service rendered between 1/3/1999, his full-time start date, and the start of his deductions on 6/7/99. Total service is 5 months, 4 days at a cost of \$930.59 which is deductions only until 6/30/2014. Interest will begin to accrue after this date.

#### Evan Golann

Current member with the Town of Sunderland, requests creditable service through c.32, §4(2)(b) for service rendered in Sunderland between 9/22/1986 and 6/30/1987 and again from 1/29/1990 to 7/31/1990 prior to his full time appointment on 8/1/1990. Total service is 1 year, 3 months, 16 days at a cost of \$520.74 if paid by 6/30/2014.

#### Brenda Tozloski

Current member with the Town of Sunderland, requests creditable service through c.32, §4(2)(b) for service rendered in Sunderland between 5/15/1995 and 6/30/1996 prior to her full time appointment on 7/1/1996. Total service is 1 year, 1 months, 16 days at a cost of \$761.43 if paid by 6/30/2014.

Additionally, a make-up of service is necessary to collect deductions omitted in error between 7/1/1996 and 8/31/1996. Service is 2 months at a cost of \$328.89 for deductions only if paid by 6/30/2014 otherwise interest will accrue as allowed by law.

#### Deaths:

Gerry, Edith – option B retiree since 5/4/1987, Mrs. Gerry was town clerk and treasurer for the Town of Buckland, accruing 15 years of creditable service. DOD was 5/7/2014.

Wilson, J. Gilbert – option B retiree since 3/31/1983, Mr. Wilson was highway superintendent for the Town of Charlemont, accruing 22 years, 5 months of creditable service. DOD was 4/27/2014.

## **General Business:**

### **Dale Kowacki reported on various projects:**

Review presentation materials for upcoming Administrators' and Advisory Council Meetings – There is a meeting tomorrow, Thursday, May 29, 2014 for any Administrator that has questions or concerns regarding the increase of the COLA base for retirees from \$14,000 to \$15,000, or any questions about converting to the actuarial method of determining assessments to the units. Dale is not expecting anyone to show as there has been no response to the invitation. Both topics are also on the agenda for the June 18, 2014 meeting of the Advisory Council.

Collect Ethics paperwork and signatures – The last two of the five Board members present signed a receipt acknowledging that they received the Summary of Conflict of Interest Law.

Policy of inactive members purchasing service – still waiting for PERAC to respond to a letter requesting an opinion.

Status report on transferred service credit review - No progress has been made on this project since the April 30, 2014 meeting. There are 25 file drawers of refunded or transferred members with approximately 400 files per drawer, of which maybe 50 of those records have been transferred to other Boards. About one half of the first drawer has been looked at with 11 records pulled for further review.

### **Quarterly Investment Managers**

#### **Investment Consultant**

Greg McNeille, Vice Chairman and Principal with Dahab Associates joined the meeting at 8:40 a.m. and reviewed the first quarter returns for the investment portfolio. In addition, the Board had asked Greg to present a proposal reducing PRIT Core by 5% as a way to mitigate the PRIM Board's changes to its asset allocation, and make suggestions as to where the 5% reduction would be reallocated. Due to family obligations, Greg was unable to prepare a proposal – so it was postponed until further notice, as was the portfolio rebalancing, and investment objectives.

#### **O'Shaughnessy Asset Management**

Chris Loveless, Principal, President and COO and Chris Meredith, CFA, Senior Portfolio Manager, and Director of Research and Portfolio Management, both of O'Shaughnessy Asset Management, joined the meeting at 9:18 a.m. Mr. Loveless and Mr. Meredith gave a performance update, and confirmed that the large-cap focus of the fund remains the same.

### Daruma Capital Management

Mariko Gordon, Founder, CEO and CIO, David Gerber, President and COO, and Molly Brass, Client Service Associate of Daruma Capital Management, joined the meeting at 10:00 a.m. Ms. Gordon and Mr. Gerber introduced Molly Brass, gave a performance update, discussed staffing changes and confirmed that the small-cap focus of the fund remains the same. In addition, Ms. Gordon and Mr. Gerber asked the Board to consider converting to Daruma's commingled fund. The fund would be managed exactly like the current account and is managed alongside all other Daruma small-Cap accounts and the fees are the same.

*On a motion made by D. Gendron and a second by P. Mokrzecki, the Board voted unanimously to convert to Daruma's commingled fund.*

### Ajournment

*On a motion made by M. Stokarski and a second by P. Light, the Board voted to adjourn the meeting at 10:51 a.m.*

Respectfully submitted,

**THESE MINUTES WERE APPROVED JUNE 25, 2014**

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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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David R. Gendron, Vice Chair

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Mary A. Stokarski, Board Member

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Paul J. Mokrzecki, Board Member

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