

FRANKLIN REGIONAL RETIREMENT SYSTEM  
BOARD MEETING MINUTES  
February 25, 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 8:00 a.m. by Board Chair, Sandra Hanks with Board Members Paula Light, Mary Stokarski, and David Gendron present. Also present was Executive Director Dale Kowacki, Assistant Director Susan Bobe and Auditor Deb Frenzoz. Paul Mokrzecki joined the meeting at 8:06 a.m.

Investment managers were in attendance - see below.

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**

Minutes from last meeting are not finalized, so the minutes of the February 4, 2015 will be presented at the next Board meeting.

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

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

<i>Retirees Payroll</i>		\$690,125.16
<i>Refunds</i>		14,658.56
<i>Transfers</i>		65,796.92
<i>Invoices 14-14W</i>		21,421.94
<i>Invoices 02-15W</i>		<u>54,023.95</u>
<i>Operating</i>	41,578.04	
<i>Investments</i>	25,043.21	
<i>3(8)c pmts to other Boards</i>	8,824.64	
<i>For a total of:</i>		\$846,026.53

**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 \$1,033,000 from PRIT Core Fund to Unibank to cover March warrants.*

**Visitors**

Robin Sherman, Executive Director of the Franklin County Regional Housing and Redevelopment Authority, Eunice Apanell, South Deerfield Water Treasurer and Barbara Hancock, Deerfield Treasurer were visitors.

Paul Mokrzecki arrived at 8:06 a.m.

**Membership**

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

**New Members**

Dean, Margaret	02/02/2015	100%	CHT	Town Administrator
Hennessey, Kathryn	09/08/2014	100%	HLT	Paraprofessional
Langley, Allison	01/15/2015	100%	FCH	Administrative Assistant
Orrell, Mathew	12/01/2014	100%	CON	Instructional Assistant
Scott, Laura	01/20/2015	60%	FRT	Customer Service
Wheeler, Jessica	12/02/2014	50%	MOH	Paraprofessional

**Existing Members**

LaFlamme, James	02/01/2015	100%	OGE	Police Officer
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**New Retirees:**

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

Arsenault, William – PERAC approval has been received for an Accidental Disability Option C benefit effective 07/25/2012. Mr. Arsenault was a Truck Driver/Laborer with the Town of Warwick and had 4 years, 7 months of service.

Spaulding, Robert – PERAC approval has been received for an Accidental Disability Option C benefit effective 06/20/2012. Mr. Spaulding was an Equipment Operator with the Town of Shutesbury and had 6 years, 7 months of service.

Golann, Evan – the retirement package has been submitted to PERAC to retire Evan Golann for a Superannuation Option A benefit. His last day of work was January 8, 2015 and his first day of benefit will be January 9, 2015. Mr. Golann was a group 4 member working as a police officer in the Town of Sunderland, accruing 27 years, 1 month, and 10 days of service. The State Board of Retirement holds liability for 6 years, 7 months, 2 days of the total service.

Moczulewski, Robert – the retirement package has been submitted to PERAC to retire Robert Moczulewski for a Superannuation Option C benefit. His last day of work was June 20, 2014 and his first day of benefit will be on December 2, 2014. Mr. Moczulewski was a group 1 member working as an Instructional Aide for the Frontier Regional School District, accruing 24 years, 1 month of creditable service. The State Board of Retirement holds liability

for 14 years, 1 month, 24 days of the total service and the Massachusetts Teachers' Retirement System holds liability for 8 years of the total service.

**Disability Retirement:**

Pellin, Michael – Board action is required in response to Attorney Sacco's opinion on the 2<sup>nd</sup> medical panel certificate in regard to this member's application for an Accidental Disability Retirement. Attorney Sacco has detailed the Board's options in his opinion letter.

*On a motion made by P. Mokrzecki and a second by D. Gendron, the Board voted unanimously to have Board Attorney Michael Sacco seek clarification from the 2<sup>nd</sup> medical panel as to causation, in light of an affirmative response on the Certificate and what appears to be a negative response on the narrative on causation.*

**General Business:**

**Retirees' COLA for July 1**

*On a motion made by D. Gendron and a second by P. Mokrzecki, the Board voted unanimously to approve a 3% Cost-of-living-allowance for retirees starting July 1, 2015.*

The Board members along with the visitors discussed the 3% Cost-of-living-allowance with an appeal from Robin Sherman to limit the increase to 1.7% for the sake of units in budget crisis, in particular the housing authority. Eunice Apanell stated that her commissioners were in favor to the 3% COLA. Barbara Hancock stated that she was here to hear the discussion and learn more on the topic. Dale Kowacki read to the Board an email from Margaret Sullivan, Selectman, and Treasurer with the Town of Erving, "I hope the Board votes for a 3% cola. If a 1.7% cola could be given on the whole retirement, then I would vote for that."

**Vote Reallocation of last year's budget line items**

*On a motion made by P. Mokrzecki and a second by M. Stokarski, the Board voted unanimously to approve the following transfers from 2014 budget lines to adjust for deficits:*

<b>A</b>	<b>139.04</b>	from: Payroll Taxes to: Salaries and Wages
<b>B</b>	<b>7,458.60</b>	from: PTG member Access Module to: Management Fees
<b>C</b>	<b>167.63</b>	from: Professional Service - various to: Custodial Fees
<b>D</b>	<b>92.88</b>	from: Office Supplies to: Miscellaneous Furniture and Equipment
<b>E</b>	<b>1,169.97</b>	from: Administrative Expenses - various to: Computers

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

Susan Bobe, Assistant Director informed the Board that we are still waiting on the State for further changes to the invoice. The cashflow reflects two more payments scheduled for April or May to possibly pay another third of the State Board 3(8)C bill.

No action, or votes, taken at this time.

Staff performance reviews

The members of the Board discussed and reviewed the staff evaluations for Dale Kowacki, Executive Director and Susan Bobe Assistant Director. Deb Frenzoz and Patty Leveille received large pay increases with their new positions, so they are not in the mix for a merit increase. The Board voted the following:

*On a motion made by M. Stokarski and a second by D. Gendron, the Board voted unanimously to award a 2% merit increase to Dale Kowacki, Executive Director and Susan Bobe, Assistant Director retro-active to January 1, 2015.*

**Quarterly Investment Managers**

**Investment Consultant**

Greg McNeille, Vice Chairman and Principal with Dahab Associates joined the meeting at 9:00 a.m. and reviewed the fourth quarter returns for the investment portfolio.

**Systematic**

James Barker, Assistant Vice President joined the meeting at 9:15 a.m. and shared staffing updates, and confirmed that the small-cap focus of the fund remains the same. Eoin Middaugh, Portfolio Manager/Partner joined the meeting

at 9:20 via speaker phone and shared the firm's view of the current and future market and commented on the returns to date for the Board's investment.

**Daruma**

Mariko Gordon, CFA, Founder, CEO & CIO, Portfolio Manager, Noreen McKee – COO & Director of Client Service, and Molly Brass, Client Service Associate joined the meeting at 9:45 a.m. Ms. Gordon introduced Noreen McKee, gave a performance update, welcomed Noreen's return to the firm, discussed their change in office space and confirmed that the small-cap focus of the fund remains the same. In addition, Ms. Gordon recognized the 15 year anniversary of Daruma and FRRS's working relationship.

**PRIM/PRIT**

Paul Todisco, Senior Client Service Officer at PRIT joined the meeting at 10:38 a.m. and gave a performance update and reviewed changes to the composition of the PRIM Board.

**Discuss "Statement of Financial Interests" reports:**

There was no expressed interest in this topic, so no discussion occurred.

**Ajournment**

*On a motion made by D. Gendron and a second by P. Light, the Board voted to adjourn the meeting at 11:30 a.m.*

Respectfully submitted,

**THESE MINUTES WERE APPROVED ON MARCH 25, 2015**

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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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