

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
FEBRUARY 22, 2017

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 Gabriele Voelker present. Also present were Executive Director Dale Kowacki, Assistant Director Susan Bobe and Auditor Deb Frenzoz.

Investment consultant, and 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 as presented to the Board, with the exception of those items that are restricted from public viewing, is on file in the retirement office.

Review and Acceptance of Meeting Minutes

On a motion made by M. Stokarski and second by P. Light, the Board voted unanimously to approve the minutes of the regular meeting held on January 31, 2017.

Payroll, Refunds, Transfers and Bills Warrants

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

<i>Retirees Payroll</i>	<i>\$799,700.14</i>
<i>Refunds</i>	<i>23,926.05</i>
<i>Transfers</i>	<i>990.13</i>
<i>Invoices 02-17W</i>	<i>55,335.47</i>
<i>Invoices 14-16W</i>	<i><u>13,635.56</u></i>
<i>For a total of:</i>	<i>\$893,587.35</i>

Cash Transfer between Investments and Bank

On a motion made by M. Stokarski and second by P. Light, the Board voted unanimously to transfer \$742,000 from Systematic Financial to Unibank to cover next month's warrants.

Visitors

Michael Vinskey, Town of Shutesbury Selectman was a visitor.

Membership

On a motion made by P. Light and second by P. Mokrzecki, the Board voted unanimously to approve the new members and additional positions as follows:

New Members

Alexander, Donald R	02/02/2017	100%	FRT	Billing & Compliant Clerk
Dann, Chelsea M	10/20/2016	100%	STB	Guidance Counselor
Power, John C	01/03/2017	100%	DER	Custodian
Santos, John M	01/19/2017	100%	SND	Highway Laborer
Schmith, Kevin L	11/21/2016	80%	SND	Custodian
Smith, Katelyn L	01/03/2017	100%	DER	Instructional Assistant
Stout, Shane L	01/03/2017	100%	SND	Highway Laborer
Thomas, Tiffany P	01/30/2017	100%	MOH	Para Professional
Thompson, Tabettha M	11/17/2016	100%	MOH	Para Professional

New Retirees:

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

Billings, Gary - the retirement package has been submitted to PERAC to retire Gary G. Billings for a Superannuation, Option B retirement allowance. His last day of work was January 6, 2017 and his retirement benefit will begin on January 7, 2017. Mr. Billings was a group 4 member working as the Police Chief for the Town of Leverett, accruing 32 years, 4 months of creditable service. The Montague Retirement Board holds 21 years, 28 days of the total liability.

Taylor, Sydney – the retirement package has been submitted to PERAC to retire Sydney Taylor for a Superannuation, Option C retirement allowance. His last day of work was January 13, 2017 and his retirement benefit will begin on January 14, 2017. Mr. Taylor was a group 1 member working in the Mahar Regional School District accruing 28 years, 10 months of creditable service. The Teachers' Retirement Board holds 11 years, 4 months, 18 days of the total liability.

Military Buybacks:

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

Brandl, Timothy S. – current member of the Pioneer Valley Regional School District has requested a purchase of his military active duty time. A DD214 has been provided showing a total of 7 years, 3 months, 9 days. Per G.L. 32, § 4(1)(h) an eligible veteran has the right to purchase up to four years. The total cost of his buyback based on his first 12 months of earnings as a member of the Retirement System is \$14,487.44 (\$3,621.86 x 4 years) if paid by March 31, 2017 otherwise interest will accrue as allowed by law. (1st year salary was \$36,218.55 based on actual wages with payroll provided by the Treasurer.)

Deaths:

Baldic, Richard – Option A retiree since 08/15/1996, Mr. Baldic was a head custodian for the Town of Orange elementary schools, accruing 13 years, 5 months of creditable service. DOD was 2/8/2017 at the age of 80.

Buell, Wanda – Option A retiree since 06/30/1984, Ms. Buell was a tutor for the Mahar Regional School District, accruing 12 years, 9 months of creditable service. DOD was 01/25/2017 at the age of 94.

General Business:

Retirees' COLA for July 1

On a motion made by P. Mokrzecki and a second by P. Light, the Board voted unanimously to approve a 3% Cost-of-living-allowance for retirees starting July 1, 2017.

Vote Reallocation of last year's budget line items

On a motion made by M. Stokarski and a second by P. Mokrzecki, the Board voted unanimously to approve the following transfer from 2016 budget line to adjust for a deficit:

\$137.23 from: Administrative Exp-Various
to: Board Election

Travel approval for Retirement Administrators' meeting on Martha's Vineyard

On a motion made by P. Light and a second by G. Voelker, the Board voted unanimously to approve the attendance and travel of staff to the May 15 – 16, 2017 Retirement Administrators' meeting on Martha's Vineyard.

Investment Consultant

Greg McNeillie, Vice-Chairman and Principal with Dahab Associates joined the meeting at 8:36 a.m. and reviewed the fourth quarter returns for the investment portfolio.

Fossil Fuels Legislation

The Board discussed with Greg the House bill (Docket No 3605), regarding an effort by MassDivest to have pension funds divest from fossil fuel holdings. Greg told the Board that fossil fuels are a big sector of the return of the index and the fiduciary responsibility of the Board is future returns. After some discussion the Board members directed Dale to respond by sending the same letter to MassDivest that was sent in 2013 to the 350MA group declining an audience with the Board due to the political nature of the bill.

Polen Agreement

The Board discussed and reviewed the new Polen agreement. It was recommended by Board Attorney Michael Sacco and Greg to include the end date of the term in the contract with Polen. The term of the contract is from March 1, 2017 to February 29, 2024.

On a motion made by M. Stokarski and a second by P. Light, the Board voted unanimously to approve the new 7 year contract with Polen, subject to PERAC acknowledging successful receipt of required documentation.

Aberdeen Agreement

The Board discussed and reviewed the agreement with the new investment manager – Aberdeen. The term of the contract is from April 1, 2017 to March 31, 2024.

On a motion made by M. Stokarski and a second by P. Light, the Board voted unanimously to approve the 7 year contract with Aberdeen, subject to PERAC acknowledging successful receipt of required documentation.

OSAM's Performance

In addition, the Board discussed with Greg O'Shaughnessy's performance. Greg stated that they had two good quarters and they have kept up with the benchmark. At this point, there is nothing to be concerned about.

Systematic

James Wallerius, Partner, Client Services & Marketing and Eoin Middaugh, CFA, Portfolio Manager/Partner joined the meeting at 9:15 a.m. Mr. Wallerius shared staffing updates, and confirmed that the small-cap focus of the fund remains the same. Mr. Middaugh shared the firm's view of the current and future market and commented on the returns to date for the Board's investment.

PRIM/PRIT

Paul Todisco, Senior Client Services Officer and Francesco Daniele, Senior Client Services Officer at PRIT joined the meeting at 9:50 a.m. Mr. Todisco introduced Francesco Daniele and discussed other staff, PRIM Board Membership, and Committee membership changes. Mr. Daniele gave a performance update and reviewed the 2017 PRIM proposed changes in their asset allocation.

Pay second third of the past due 3(8)(c) bill to the State Retirement

No action, or votes, taken at this time.

Adjournment

On a motion made by G. Voelker and a second by M. Stokarski, the Board voted to adjourn the meeting at 10:37 a.m.

Respectfully submitted,

THESE MINUTES WERE APPROVED ON MARCH 29, 2017

Dale C. Kowacki, Executive Director

Sandra A. Hanks, Chair and Treasurer

Paula J. Light, Council Member

Gabriele H. Voelker, Board Member

Mary A. Stokarski, Board Member

Paul J. Mokrzecki, Board Member

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